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# ***Daily Report***

## **China**

FBIS-CHI-92-012  
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17 January 1992

# Daily Report

## China

FBIS-CHI-92-012

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17 January 1992

**NOTICE TO READERS:** An \* indicates material not previously disseminated in electronic form.

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## General

### CIA Chief Warns Against Soviet Brain Drain

OW1701002892 Beijing XINHUA in English  
1802 GMT 16 Jan 92

[Text] Washington, January 16 (XINHUA)—Robert M. Gates, director of the U.S. Central Intelligence Agency, has warned that economic hardship is forcing nuclear experts in the former Soviet Union to sell their expertise or work abroad.

"This is the area that causes us the greatest concern" about the Soviet Union's breakup, Gates said Wednesday before the Senate Committee on Governmental Affairs.

"As living conditions in the (former Soviet) republics get worse and some of these people have no alternative employment or see their families in desperate circumstances, they may be induced to emigrate...or they may remain in place and, in exchange for cash, provide information," he said.

Drawing a recently prepared CIA estimate, Gates said that roughly 1,000 to 2,000 scientists in the former Soviet republics have weapons design skills and approximately one million former Soviets are believed to be involved in some aspect of the military's nuclear effort.

Gates said that the intelligence community believes the leakage of Soviet military technology to Third World countries is more likely than any loss of weapons or nuclear materials in the former Soviet Union.

The CIA chief also said that there could be leakage from the former Soviet Union of conventional arms, involving stealth and electronic warfare technologies, precision-guided munitions and advanced torpedoes, because the military-industrial complex is hard pressed to earn foreign currency.

### DPRK Paper Cited on U.S. Air Reconnaissance

HK1601043692 Beijing RENMIN RIBAO in Chinese  
14 Jan 92 p 6

[XINHUA report: "U.S. Airplanes Reconnoiter Korea"]

[Text] According to NODONG SINMUN reports, the U.S. troops sent seven reconnaissance planes to reconnoiter North Korea on 10 January. At approximately 1900 on 10 January, a U.S. U-2 high-altitude strategic reconnaissance plane flew along the Korean military demarcation line and reconnoitered strategic targets in the North Korean interior, taking photographs.

On the same day, U.S. aircraft, including an RV-1 tactical reconnaissance plane, an unmanned reconnaissance plane, and an EH-60 helicopter which is used in electronic warfare flew above the western, eastern, and central sections of the military demarcation line and carried out many kinds of activities to reconnoiter North Korea.

### Commentary Views U.S.-Europe Leadership Struggle

HK1601050992 Beijing LIAOWANG in Chinese  
No 51, 23 Dec 91 p 44

["International commentary" by Li Zhongfa (2621 6988 4099): "Contention for Leading Role in European Affairs"]

[Text] Changes in the European system continued to deepen amid the turbulence of 1991. West Europe's political position has been strengthened a great deal, and it is making positive efforts toward playing the leading role in international affairs, especially European affairs. The contention between the United States and Europe for the leading role in European affairs has been aggravated.

West Europe is still maintaining its alliance with the United States, but intensive changes are taking place in European-U.S. relations. This can be seen from the recent NATO Rome summit and the EC Maastricht summit.

The United States' comprehensive national strength is weakening, but it is still reluctant to reduce its enormous influence on Europe. In the struggle for the leading role in European affairs, the United States has taken both offensive and defense tactics, primarily the latter. It is trying to turn NATO into a super organization taking care of Europe's political, economic, and defense affairs. U.S. Secretary of State James Baker put forth a concept of "new Atlanticism" at the end of 1989. In June this year, he proposed establishing a "Europe-Atlantic Community," but found very few supporters.

Germany's reunification made U.S.-Europe contention for the leading role in European affairs more complicated. People have no choice but to attach greater importance to Germany's role.

In West Europe, as a result of Germany's reunification and the improvement of its strength and position, a subtle triangular relationship has formed between Germany, France, and Britain. France certainly cannot remain indifferent when Germany is playing an increasing role in European affairs. But at present, it is mainly trying to rely on Germany to speed up economic and political integration in Europe to realize its strategic intention of establishing a "European Federation." Although Germany intends to attain hegemony in Europe, it is not yet mature. Moreover, according to historical experience, it needs to demonstrate its strength through international organizations. Britain is keeping a wary eye on Germany. There has often been friction between both countries on the question of European integration, but Britain and France share certain common interests on the question of restricting Germany.

Through the efforts in the past years, the EC has now entered the stage of establishing a large unified market and establishing an economic and monetary alliance and a political alliance. Generally speaking, the 12 EC members' economic strength is rather strong. Their total trade

volume currently makes up 40 percent of the world's total. The EC is the biggest trading group in the world; moreover, it is working hard to establish an all-Europe economic region which would include the seven countries of the European Free Trade Alliance, the east European countries, and some former Soviet republics, with the EC as the core.

In the economic field, there are struggles between West Europe and the United States. Since the beginning of the year, West Europe has been resisting U.S. pressure and has refused to reduce their interest rates. In the Uruguay round of multilateral trade talks, the United States asked the EC to reduce agricultural products subsidies, but its request was rejected, and no agreement has been reached on this issue. Though an economic giant, West Europe is still unable to contend with the United States in the political field. The Gulf war fully exposed West Europe's political weakness, and this is why the EC, while continuing to promote economic integration, also decided to speed up the political integration process aimed at working out common diplomatic and defense policies so that they can speak with one voice. There are great differences among the EC countries on this question. France maintains that Europe must rely on itself rather than on any other country to take care of its defense affairs. "We cannot imagine that the United States will dominate European defense affairs forever" (said President Mitterrand). But Britain, which is a "special partner" of the United States, has reservations about this. It maintains that, on the question of European defense, NATO should continue to play an important role. At the recent Maastricht summit, important progress was achieved in the effort to establish a political alliance. It explicitly stipulated that EC members should implement a common diplomatic and security policy—though, of course, this does not mean that they have resolved all their differences.

The main point of the U.S. "new Atlanticism" is to strengthen various existing mechanisms in Europe, that is, to make NATO, the EC, and the CSCE "a basis for establishing a new European pattern." According to the "new Atlanticism," the United States is trying to achieve the following: First, to weaken NATO's military role while increasing its political and economic roles. Second, to demand that the EC open up to the United States and sign treaties enabling the United States to acquire a normal position in various EC organizations and have a say in EC affairs. Third, to increase the CSCE's role and develop its management role on the European continent, so that U.S. intervention in European affairs can be legalized. The West European countries, however, have objected to this U.S. "new Atlanticism."

On the U.S. proposal to establish an "Europe-Atlantic Community," which was forwarded in June this year, German GENERALANZEIGER held that it shows that Washington no longer insists on taking NATO as the basis for its presence in Europe but is seeking to establish a "Europe-Atlantic Community" from Vancouver to Vladivostok. The "community" will be built on a

common democratic, political, and economic basis in line with the spirit of the CSCE "Paris Charter" formulated in autumn last year. All basic problems, such as defense, trade, currency, human rights, and the rights of minority nationalities, should be resolved within this range. The EC is demanding to continue the consolidation of its relations with the United States. In the meantime, it should shoulder more global and European responsibilities. Judging from the current development trend, the fate of this U.S. plan may not be better than that of "new Atlanticism."

The Soviet Union has been declining rapidly in recent years and is now on the verge of collapse. The Soviet domestic situation is still turbulent, and the possibility of turmoil is still present. As the "all-Soviet mansion" is already on the verge of collapse, there is certainly no time to attend to the "all-Europe mansion" envisaged by Gorbachev. Nevertheless, the latent threat of the Soviet Union's gigantic nuclear arsenal still exists. The disintegration of the Soviet Union may have a great impact on Europe's stability. The United States and West Europe have no choice but to attach great importance to this.

In the wake of changes in the world situation and the European pattern, the U.S.-Europe contention for the leading role in European affairs will continue to develop.

### World Economic Forum Praises Chinese Role

OW1601172992 Beijing XINHUA in English  
1707 GMT 16 Jan 92

[Text] Geneva, January 15 (XINHUA)—The chairman of the World Economic Forum said on Wednesday that he believed China would turn out to be one of the "main pillars" of the world economy.

Klaus Schwab said in an interview with XINHUA that the Chinese economy had shown "strong" growth and made "great" progress since the reform and open-door policy was introduced in 1979. It was continuing to open and increasingly integrating with the world business community.

China had huge potential for economic development, he said. From an outside viewpoint, "the Asian economic locomotive will gradually be transferred from Japan to China in the next century."

Schwab, who has visited China and organized a China economic symposium every year since 1979, said the fact that Chinese Premier Li Peng would take part in the annual meeting of the World Economic Forum in Davos, Switzerland, had far-reaching significance.

"It marks a big step forward for relations between China and Europe," he added.

He said 15 heads of governments would attend the economic symposium, which will run from January 31 to February 4.

Schwab said this year was "decisive" for the world economy, calling for global cooperation in the tackling of

such problems as the worldwide economic recession, the successful conclusion of the Uruguay Round of trade talks, and the relationship between economic development and environmental protection, as well as the shortage of funds.

He said China should play a role in dealing with those international issues.

#### **Environmental Official on International Cooperation**

OW1501122192 Beijing XINHUA in English  
1139 GMT 15 Jan 92

[Text] Beijing, January 15 (XINHUA)—China is seeking more international cooperation and overseas financial support and technology in its battle against environmental problems.

In an interview with XINHUA here today, Professor Qu Geping, director of the State Administration of Environment, disclosed that the Chinese Government is working out a policy on the use of CFC [chloro-fluorocarbons] while Chinese scientists are doubling their efforts to find a new chemical to replace CFC.

Speaking about China's participation in the international efforts against climate problems, he said that Chinese energy departments are considering a new policy and studying clean energy technology to reduce the release of carbon dioxide into the atmosphere.

"Following the experience of the western European countries, China will enforce a policy in some part of the country that the coal-burning enterprises are required to pay a fee for the carbon dioxide they released," Professor Qu said.

According to Qu, the Chinese Government is now actively engaged in a number of preparation activities and international negotiations for the United Nations Environment and Development Conference to be held in June this year.

"While strengthening Sino-American cooperation in environmental protection, China will seek more collaborations with Japan, Germany and Canada," he noted, "I hope China and Japan will sign an agreement on environmental cooperation at the 20th anniversary of the normalization of diplomatic relations of the two countries."

Last year, China received loans totalling 630 million U.S. dollars from World Bank, Asian Development Bank, and other international organizations for its projects in environmental protection, according to Qu.

In recent years China has become a signatory to "The Convention on International Trafficking of Toxic Waste", "The Vienna Convention on the Protection of the Ozone Layer" and "The Montreal Protocol on Substances That Deplete the Ozone Layer."

In other development, according to Professor Qu, China has been collaborating with the World Wildlife Fund and other international organizations to protect the country's endangered species such as giant pandas and cranes at China's nature preserves.

China's eight nature preserves, including Dinghushan, Wolong, Changbai mountains, have been admitted to the International Network of Man and Biosphere.

#### **United States & Canada**

#### **Accord Reached on Intellectual Property Rights**

##### **To Sign Memorandum of Understanding**

CM1701122192 Beijing XINHUA Domestic Service  
in Chinese 0217 GMT 17 Jan 92

[Text] Washington, January 16 (XINHUA)—China and the United States reached a consensus this afternoon on the settlement of their disputes over intellectual property protection after seven days of negotiations.

The two sides also agreed to sign a memorandum of understanding on Friday, in which the United States will make it clear that it will, after signing of the document, terminate its investigation in China's intellectual property protection, carried out under the special 301 section of U.S. trade laws, and remove China from the priority list.

A spokesman of the Chinese delegation said that China hopes that both sides would continue to take a positive approach, through friendly consultations on an equal basis, in order to quickly settle other existing problems in bilateral trade to improve and promote the growth of economic relations and trade between the two countries.

#### **Chinese Spokesman Gives Speech**

OW1701090792 Beijing XINHUA in English  
0850 GMT 17 Jan 92

[Text] Beijing, January 17 (XINHUA)—The following is the full text of a speech made here today by the spokesman for the Chinese delegation for Sino-U.S. negotiations on intellectual property rights:

The Chinese and U.S. delegations held another round of negotiations on the protection of intellectual property rights in Washington between Jan. 10 and 16. Through their joint efforts and with the relevant international conventions and international practices as the basis, the two sides this time reached an agreement on the issue and signed on Friday a memorandum of understanding, which states that, beginning from the day when the memorandum is signed, the U.S. Government will terminate the investigation of China according to the "Special 301 Section" of U.S. trade laws and rescind the decision that named China as a key country for such an investigation.

The fact that China reached the understanding with the United States on the protection of intellectual property rights once again shows that China wishes to develop



economic and trade relations with the United States and promote cooperation and exchange in trade, economy and technology between the two countries. The Chinese delegation believes that the proper solution to the issue of intellectual property rights protection between the two countries will facilitate Sino-U.S. cooperation in trade, economy and technology, and create a good atmosphere and condition for the improvement and development of economic and trade relations between the two countries.

The success of Sino-U.S. negotiations on intellectual property rights fully shows that disputes on trade between the two countries can be solved completely through equal negotiations and mutual understanding and accommodation. Any other ways which are unreasonable will not help solve problems but only make them complicated.

Sino-U.S. negotiations on intellectual property rights have set a good example for solving other problems in trade between the two countries. China hopes that both sides will continue to adopt positive forms to solve, properly and as soon as possible, other existing problems in trade through equal and friendly negotiations, so as to improve and develop step by step the economic and trade relations between the two countries.

#### **Ceremony Marks Delivery of U.S. Machinery**

*OW1601141692 Beijing XINHUA in English  
1326 GMT 16 Jan 92*

[Text] Beijing, January 16 (XINHUA)—A ceremony was held here today to mark the delivery of five electric shovels from the United States.

The shovels, worth 40 million U.S. dollars, were imported by the China National Technology Import and Export Corporation from the Bucyrus-Erie Company.

They are to be used in China's fourth-largest opencut coal mine, located in the Inner Mongolia Autonomous Region.

Officials from the Chinese Government and the U.S. Embassy attended the ceremony.

### **Central Eurasia**

#### **Azerbaijani Vice Premier on Chinese Relations**

*OW1701090092 Beijing XINHUA Domestic Service  
in Chinese 0801 GMT 15 Jan 92*

[By reporter Wan Chengcai (8001 2052 2088)]

[Text] Baku, 14 January (XINHUA)—During an interview with a XINHUA reporter on 14 January, Artur Tair ogly Razi-zade, first deputy prime minister of the Republic of Azerbaijan, said the basic principle of independent Azerbaijan's foreign policy is to establish and develop mutual beneficial, friendly, and cooperative relations with all countries, including China, on the basis of equality.

Razi-zade said the Republic of Azerbaijan hopes its relations with the PRC will be greatly developed. He said: Azerbaijan hopes to enter the international market. We can supply many products to China; and China also can supply many products, especially consumer products, to Azerbaijan. Currently, the two countries have begun to cooperate in producing television receivers. In the future, the two sides can strengthen cooperation at both the national and regional levels as well as between enterprises.

Razi-zade also said that, in addition to developing economic and trade relations, the two countries also can establish mutually beneficial cooperation in cultural, educational, and other fields.

#### **Kazakh President on Economic Treaties With China**

*OW1701101592 Beijing XINHUA Domestic Service  
in Chinese 0654 GMT 16 Jan 92*

[By reporters Guo Guantao (6753 6034 3447) and Guo Jianguo (6753 1696 0948)]

[Text] Alma-Ata, 15 January (XINHUA)—The first Kazakh foreign trade work conference since the Kazakhstan Republic's independence opened at the main hall of the Presidential Office on the morning of 15 January.

In declaring the conference open, Kazakh President Nazarbayev said: More than 30 countries to date have extended official recognition to Kazakhstan Republic and are prepared to establish diplomatic relations and develop political, economic, and cultural cooperation with it.

Nazarbayev said: One of the immediate tasks confronting Kazakhstan right now is its early integration into the world economic system. Kazakhstan possesses not only vast raw material, industry, agriculture, and cadre potentials, but also a domestic social and political situation conducive to positively developing market reform. He said: Recently, Kazakhstan has signed a series of economic agreements with China and Turkey. The primary aim of attracting foreign investment is to develop light industry and the processing of agricultural products at a top priority and to develop the production of science-technology-intensive commodities.

In his speech, (Abisev,) foreign economic relations minister for Kazakhstan, said: Kazakhstan is speeding up the expansion of economic, political, scientific and technological, and cultural contacts with foreign countries, as one of the most important ways to enhance its social production efficiency. The economic and trade agreements signed between Kazakhstan and China in December 1991 provide a rational means for developing bilateral relations.

Representatives for more than 160 companies from 52 countries in Asia, Europe, and America attended the opening ceremony of the two-day conference.

### **Soviet Oblast Delegation Visits Heilongjiang**

SK1701021792 Harbin HEILONGJIANG RIBAO  
in Chinese 14 Dec 91 p 1

[By reporter Yang Tianzhu (2799 1131 5511) "Du Xianzhong Receives the Chita Oblast Delegation of the Soviet Union"]

[Text] On the evening of 13 December, Du Xianzhong, vice governor of the province, received at the Huayuncun Guesthouse the six-member delegation of Chita Oblast of the Soviet Union, headed by (Lazuo), vice chairman of the oblast economic committee.

During the reception, Du Xianzhong delivered a speech in which he extended a warm welcome to the second visit paid by Vice Chairman (Lazuo) and stated that the developing trend of economic cooperation and of trading exchanges between Heilongjiang province and Chita Oblast had been very fine. The current number of Heilongjiang's labor personnel working in the Soviet oblast is around 4,000. It is hoped that both the province and oblast should further accelerate the pace of economic and technical cooperation.

During the reception, (Lazuo) also made a speech in which he stated that he had discovered something new when he visited the province on several occasions and that he had the feeling of visiting the province for the first time each time. He also stated that Chita Oblast had been assigned by the Russian Federation as a special economic zone opening to the outside world and that they were willing to closely cooperate with the various circles of Heilongjiang province to benefit economic development in both the oblast and the province.

Attending the reception were Cai Kaifu, vice chairman of the provincial foreign economic and trade commission, and Wang Wangui, deputy director of the provincial foreign affairs office.

The guests of Chita Oblast arrived in Harbin city on the evening of 12 December at the invitation of the provincial people's government.

### **Heilongjiang City Mayor Discusses Soviet Trade**

HK1601134592 Beijing LIAOWANG in Chinese  
No 50, 16 Dec 91 p 47

[By Suifenhe Mayor Zhao Mingfei (6392 2494 7236): "Continue To Develop Trade With Soviet Union"]

[Text] Trade with the Soviet Union is an important economic activity of Suifenhe [located in Heilongjiang Province]. In the future, our city will continue to take trade as the guide in our economic development and regard the development of multilateral trade, especially trade with the Soviet Union, as a starting mechanism and an important support for development of the export-oriented economy as a whole.

There are good prospects for development of trade with the Soviet Union in Suifenhe City. First, Sino-Soviet trade is a trade of mutual supplements in both the industrial structure and the product mix. The Soviet Union is a large country with rich natural resources. Its natural resources and energy reserves in the Far East region are especially abundant. Coal in this region makes up 72 percent of the total reserves of the Soviet Union, while oil makes up 52 percent, and timber makes up 77 percent of the total. The energy reserves of this region makes up one-third of the world's total. There is great potential for development. In the Soviet Union, the policy of giving priority to production of capital goods has been implemented for a long time. The proportion of heavy industry in the national economy as a whole reaches as high as 60 percent, while light industry and agriculture make up 20 percent. Based on this resource situation and its industrial structure and product mix, the Soviet Union must export capital goods and import consumer goods. In China, since reform and opening up, light industrial production has rapidly increased. China's consumer goods have become more competitive in both quantity and quality. But our basic industries and production of capital goods are still restricted by our natural resources and are relatively weak. Therefore, in Sino-Soviet trade, both sides can help supply each other's needs on a mutually beneficial basis. The Soviet Union is rich in natural resources. The costs and selling prices of its resource-intensive raw materials are comparatively lower than those of the international market. On the other hand, because of the lack of manpower resources, its light industry is comparatively backward, and the prices of its labor-intensive consumer goods are higher. But China has abundant manpower resources. The prices of its consumer goods are lower. Thus, the exchange of China's consumer goods with the capital goods produced by the Soviet Union will help both sides to give play to their respective superiorities. This will benefit both. Moreover, Sino-Soviet trade is also a trade of mutual exchange. Generally speaking, the products in excessive supply in the Soviet Union or in China are also products in excessive supply in the Western market. It is difficult for China and the Soviet Union to export their products in excessive supply through direct exchange with the Western market. Under the situation that both China and the Soviet Union do not have sufficient foreign exchange for international payment, the obstacles in their international trade can be removed by the direct barter trade between both sides. Mutual supplement, mutual benefit, and mutual exchange form a solid objective basis for Sino-Soviet trade.

Suifenhe's border trade with the Soviet Union started in 1987. Great progress has been made in this trade over the past three years. Last year, the total contract volume of Soviet trade reached 450 million Swiss francs, and the actual transaction was 140 million Swiss francs.

Now some new situations and new problems have emerged in Soviet trade. We must gain a correct understanding of all this and solve the problems correctly. A

new situation is that beginning from this year, the state-to-state trade between China and the Soviet Union has been changed from transaction for account to transaction for spot exchange. This change will have a long-term influence on border trade. But, as both China and the Soviet Union are short of foreign exchange and do not have sufficient foreign exchange for payment, there will be a considerably long transitional period for the change from transaction for account to transaction for spot exchange. In this transitional period, restricted by the shortage of foreign exchange, more commodities will still be exchanged through border trade. Thus, there is still the possibility for expanding border trade. In April this year, the State Council decided that in the transitional period, barter trade will continue to be supported by some policies. Another new situation is that the Soviet Union has begun to readjust its industrial structure. Some military productions have been changed into civil productions, some heavy industrial projects have been changed into light industrial projects, and consumer production has been expanded. In the meantime, a series of policies have been worked out to restrict export of raw materials and primary resources. This will undoubtedly weaken an important basis of Sino-Soviet trade—mutual supplement. However, as the current industrial structure of the Soviet Union has been in operation for a long time, it also needs a considerably long time to change it. The pattern of exchange of capital goods with consumer goods cannot be changed in a short period of time. There are still opportunities for greatly developing Sino-Soviet trade in a considerably long period to come.

Based on an analysis of the favorable conditions and unfavorable factors for our country's Soviet trade, we have set the following targets for the next three years: The contract volume of Soviet trade will reach 800 million Swiss francs and the actual transaction will reach 155 million Swiss francs in 1991 (both had been reached by October this year); the contract volume will reach 1 billion Swiss francs in 1993 while the actual transaction will reach 200 million Swiss francs. Here are some measures for reaching these targets: 1) To actively open up new import and export commodities and increase the level of barter trade with the Soviet Union. 2) To combine Soviet trade with foreign economic and technological cooperation and exchange commodities for investment projects. 3) To gradually develop triangular trade between China, the Soviet Union, and Japan and develop multilateral entrepot trade. 4) To continue to promote nongovernmental trade along Sino-Soviet borders and run country trade fairs well. At the same time, it is necessary to actively promote other forms of Soviet trade, including tourism.

#### **Shaposhnikov Denies CIS Nuclear Arms Sale**

*OW1601030192 Beijing XINHUA in English  
0145 GMT 16 Jan 92*

[Text] Moscow, January 15 (XINHUA)—Commonwealth of Independent States (CIS) Commander-in-Chief Yevgeniy Shaposhnikov has denied

that some of its members intended to or had already become involved in nuclear arms sales.

His remarks were carried in the latest issue of "NEW TIMES" weekly.

It was "dangerous," even a crime for certain public media to spread such "news," he said.

The CIS members have repeatedly reiterated their faithful compliance with all international treaties signed by the former Soviet Union including non-nuclear proliferation treaties.

Reports that Russia's vice president had been involved in negotiations on nuclear arms sales during visits to Iran, Pakistan and Afghanistan were "sheer rumors," Shaposhnikov said.

But he admitted there were some problems with conventional arms sales.

Some CIS members would probably attempt to make money or to solve social problems through such sales, he said.

Members should work out an accord on conventional arms sales instead of taking individual action, he added.

#### **Russia 'Likely' To Establish Own Armed Forces**

*OW1601030392 Beijing XINHUA in English  
0201 GMT 16 Jan 92*

[Text] Moscow, January 15 (XINHUA)—The Russian Federation is likely to form its own defense forces some time in the future, a military spokesman said today.

Dmitry Bolkogonov, military adviser to the Russian president, said Russia would "have to establish its own armed forces in time."

But he told the Russian Information Agency that Russian troop numbers "would not exceed 1.4 million."

Since the federation did not possess its own military structure, the country's leadership would get in touch with the former Soviet Defence Ministry and exert influence in the military build-up of the newly born Commonwealth of Independent States, Bolkogonov said.

Russian President Boris Yeltsin said last week during an inspection tour that Russia would be the last of the former Soviet republics to form its own army.

This would only happen if it were forced upon us, he said.



## Northeast Asia

### Mongolia Premier Comments on Sino-Mongolia Ties

#### Expresses 'Satisfaction' With Ties

OW1601181792 Beijing XINHUA in English  
1754 GMT 16 Jan 92

[Text] Ulaanbaatar, January 16 (XINHUA)—Mongolian Premier Dashiyn Byambasuren today said that Chinese President Yang Shangkun's first official visit to Mongolia last August had contributed greatly to the further development of relations between the two countries.

The premier made these remarks when delivering a working report of the government at the second meeting of the 12th session of the Great People's Hural (parliament) of Mongolia.

He expressed satisfaction with the smooth development between the two countries in the fields of politics, economy and culture in 1991.

The Mongolian premier stressed that it is a must to pursue an independent foreign policy and seek to establish equal exchanges with all countries in the world.

#### Addresses Economic Issues, Privatization

OW1601182792 Beijing XINHUA in English  
1754 GMT 16 Jan 92

[Text] Ulaanbaatar, January 16 (XINHUA)—The Mongolian Government will strive for economic stability and accelerate toward a market economy this year as part of its development program.

This was announced by Mongolian Premier Dashiyn Byambasuren in his government working report at the second meeting of the 12th session of the Great People's Hural (congress) here today.

In the report delivered for further discussion and adoption at the meeting, the premier noted that Mongolia had in the past year laid the foundation for its transfer to a market economy by introducing privatization, freeing prices and establishing a new economic mechanism.

The year 1991 witnessed a deep economic crisis and the country has now entered the most difficult stage of it, the premier said, admitting that its industrial situation was really grave.

Compared with the previous year, its gross industrial production in 1991 fell by more than 10 percent, its total foreign trade volume by 60 percent and national income about 13 percent.

Calculated in fixed price terms, the country's national income was valued at seven billion togrog (180 million U.S. dollars).

Byambasuren attributed the fall in production to the changes in Eastern Europe and the Soviet Union. Since

the changes, he said, Mongolia had received no financial assistance from the Soviet Union.

This year, the government is determined to prevent the economy from further recession and bring the current crisis under control, the premier said.

It would try to increase production over last year in some economic sectors, Byambasuren said.

However, the country's agricultural and animal husbandry situation was relatively stable, the premier said. A survey conducted at the end of 1991 showed that Mongolia's livestock totalled 25.5 million head.

Meanwhile, grain production reached 595,000 tons and can fully meet the country's domestic flour needs and partly meet the needs of livestock feed.

In 1992, the country's national income was expected to increase by 8.2 percent over last year, he said.

#### XINHUA Notes Resignation Announcement

OW1601182092 Beijing XINHUA in English  
1749 GMT 16 Jan 92

[Text] Ulaanbaatar, January 16 (XINHUA)—Mongolian Premier Dashiyn Byambasuren announced here today his resignation as the head of the government.

Byambasuren made the announcement at the second meeting of the 12th session of the Great People's Hural (congress) of Mongolia this morning.

Explaining the reasons for his intention to step down from office, Byambasuren said that in the transitional process towards market economy, the country has run into great difficulties socially, economically, and ideologically.

Despite the enormous efforts made by the government, there had been little effect reported, the premier said.

Results of the latest public opinion polls showed that the government could no longer have the trust from the people, and therefore could no longer work normally, Byambasuren noted.

He proposed that the current government be reshuffled, and hoped for understanding from the Mongolian people and the world community.

#### Zhang Lichang Meets With DPRK Bank Delegation

SK1601072792 Tianjin TIANJIN RIBAO in Chinese  
14 Dec 91 p 1

[Text] Yesterday evening, Zhang Lichang, deputy secretary of the Tianjin Municipal party committee and executive vice mayor, met at the Hyatt Hotel with the Korean Trade Bank delegation led by Pak Yang-sok, vice president of the trade bank of the DPRK.

The meeting was filled with a cordial and friendly atmosphere. On behalf of the Tianjin Municipal party committee and the municipal government, Zhang

Lichang welcomed the delegation's visit, and discussed Tianjin's relevant situation to the guests. He said, "China and Korea have a profound friendship, and the friendship between the Chinese and Korean peoples are also very deep. Ours is a friendly relationship of comrades and friends." He expressed hope that both sides will strengthen the development of banking contacts in the future. Pak Yang-sok said, "Through this visit, I feel all the more that the friendship between the people of our two countries is unbreakable. During the visit, we have seen the great achievements of the Chinese people in socialist construction. We are very pleased by this." He expressed that in the future he would strengthen contacts with Tianjin in the banking aspect.

### Japanese Research Delegation Visits

#### Meets With NPC Vice Chairman

OW1601125792 Beijing XINHUA in English  
1154 GMT 16 Jan 92

[Text] Beijing, January 16 (XINHUA)—Ngapoi Ngawang Jigme, vice-chairman of China's National People's Congress (NPC) Standing Committee, met with a delegation from the Research Center of Chinese Studies of the House of Representatives of Japan here today.

Members of the delegation, headed by member of the House of Representatives Masamitsu Oishi, were from the Liberal Democratic Party of Japan.

After the meeting, Ngapoi hosted a dinner in honor of the delegation.

#### Vice Premier Meets Visitors

OW1701100192 Beijing XINHUA in English  
0928 GMT 17 Jan 92

[Text] Beijing, January 17 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Masamitsu Oishi, member of the House of Representatives of Japan, and his party here this afternoon.

Oishi is leading a delegation from the Research Center of Chinese Studies, which is formed by members of the House of Representatives from the Liberal Democratic Party, for a visit to China starting from January 16.

The delegation is also scheduled to visit south China's city of Guangzhou.

In the afternoon, Vice Foreign Minister Xu Dunxin also met with Oishi and his party.

#### Hainan Governor Meets Japanese Firm's Manager

HK1701073492 Haikou Hainan People's Radio  
Network in Mandarin 2300 GMT 12 Jan 92

[Text] Yesterday afternoon, Governor Liu Jianfeng met in the Haifeng Hall of Qiongyan Hotel with Mr Mao

Yuping, board member and general manager of a Japanese company based in Asia [words indistinct], as well as his wife Madam Wang Lifang.

During the meeting, Governor Liu briefed his guests on Hainan's economic development over the past few years. He also held cordial talks with his guests on issues concerning financial and negotiable securities business.

Mr Mao Yuping has been engaged in the negotiable securities business for many years and is very experienced in this respect. He has always shown great concern for Hainan's negotiable securities business development and has had extensive contacts with people from Hainan's financial and trade circles.

At Governor Liu Jianfeng's invitation, Mr and Mrs Mao Yuping arrived in Haikou yesterday noon for a three-day investigation visit in Hainan Province, through which they will acquire a better understanding of Hainan's recent financial development. They will also exchange views with people from Hainan's financial circles on how to develop negotiable securities business in Hainan. [words indistinct]

### Southeast Asia & Pacific

#### Article Discusses Cambodian Peace Accord

OW1601121992 Beijing XINHUA in English  
1109 GMT 16 Jan 92

[Text] Bangkok, January 16 (XINHUA)—Norodom Ranariddh has urged all Cambodian parties to help create a neutral environment in Phnom Penh and respect the Paris peace agreement on Cambodia signed in October last year.

In a statement dated January 15 and issued here today, Ranariddh, a member of the Supreme National Council of Cambodia (SNC), said that in order to make the SNC functional smoothly, all the Cambodian parties "must respect and strictly implement in its integrity the Paris accord."

The special representative of the secretary-general of the United Nations must come to Phnom Penh as soon as possible to collaborate with the SNC in the full implementation of the Paris accord, he said.

He said the SNC is not able to function normally and effectively in Phnom Penh because the SNC is neither respected nor recognized by one of the Cambodian factions in its capacity as "the sole legitimate body and source of authority in Cambodia" during the period of transition.

The other reason is, he said, the continued absence in Cambodia of the special representative of the U.N. secretary-general and the United Nations Transitional Authority in Cambodia (UNTAC).

He said the political and military wing of his party, the National United Front for an Independent, Neutral, Peaceful and Cooperative Cambodia, will continue to

collaborate very closely and very sincerely with the United Nations Advance Mission in Cambodia (UNAMIC), and to do likewise within the SNC.

The UNAMIC entered Cambodia in November last year to pave the way for the arrival of the UNTAC, which must enter Cambodia within six months after signing of the peace accord.

#### **XINHUA Notes 'Illegal Entrants' in Australia**

OW1701114592 Beijing XINHUA in English  
1117 GMT 17 Jan 92

[Text] Canberra, January 17 (XINHUA)—A spokesperson for the Australian Immigration Office said today that media reports that 36 illegal entrants found Thursday in Western Australia had originated in Beijing were purely speculative.

Australian media today reported that 56 Asians—calling themselves Chinese refugees—landed in Western Australia 10 days ago and 20 were still missing last night after 36 were located earlier yesterday.

"The investigation to establish who they are, where they came from and why they came to Australia is likely to take some time. Experience has shown us never to take anything at face value," the spokesperson said.

A surveillance aircraft today has located another five people believed to be from the foreign vessel beached on the north-west coast of Western Australia.

Customs Minister David Beddall said the five more had been sighted late today about 45 km south of King Edward River Station near Drysdale river.

Customs will continue its part in the search for the remaining 15 people who reportedly came ashore from the vessel, Beddall said.

Over the past two days, Australian coastwatch has provided two fixed-wing aircraft and three charter helicopters to assist in the search.

The minister said that he had directed customs to issue daily bulletins updating the search situation in the north-west or as significant developments came to attention.

#### **Science, Technology Exhibit Opens in Indonesia**

OW1701091892 Beijing XINHUA in English  
0853 GMT 17 Jan 92

[Text] Jakarta, January 17 (XINHUA)—Chinese exhibition of scientific and technical achievements and practical technology was opened here today to the great admiration of the Indonesian people, technicians and businessmen.

Sponsored by the China Association for Science and Technology, the exhibition was first of its kind ever held in Indonesia since the resumption of diplomatic relations between Indonesia and China in 1990.

Prior to the opening ceremony of the exhibition, the head of the 187-member Chinese delegation told XINHUA that the goal of this exhibition is to get a deep understanding, further the friendship, foster the exchange and cooperation between the two countries and peoples.

On display are best selection of over 1,300 items from 160 factories and companies in 23 cities and provinces all over China.

The exhibits include products relevant to "Spark Program" for the development of rural economy, items of traditional Chinese medical science and medicines, medical and health care, machinery, chemical industry and metallurgical industry, light industry, energy-saving and environmental protection.

During the exhibition from January 17 to 21, seminars will be held by the Chinese scientists and technicians in collaboration with their Indonesian colleagues.

#### **Sub-Saharan Africa**

##### **Qian Qichen in Ivory Coast, Calls for 'Unity'**

###### **Holds Talks With Foreign Minister**

OW1701031092 Beijing XINHUA Domestic Service  
in Chinese 0615 GMT 16 Jan 92

[By reporter Zhang Rongdian (1728 28370368)]

[Text] Abidjan, 15 January (XINHUA)—"China's consistent stand is to strengthen unity and cooperation with African countries," said Chinese State Councillor and Foreign Minister Qian Qichen here today.

During an afternoon discussion with Foreign Minister Amara Essy of the Ivory Coast, Qian Qichen said that this kind of unity and cooperation should be strengthened, not weakened under the current new circumstances.

Qian Qichen said: "China is pleased to see the great changes that have taken in Africa, including those in South Africa. We hope that South Africa thoroughly abandons its apartheid policy and builds a democratic, unified new South Africa."

Touching on the international situation, Qian Qichen said that the gap between North and South is widening and that the developing countries are faced with a new test and challenge. Therefore, all the countries of the world are now discussing the question of establishing a new world order. He pointed out: "This new world order should be favorable to the development of all countries." He stressed: "The objective of China's foreign policy is the realization of world peace."

Foreign Minister Essy expressed his appreciation of China's position on the establishment of a new world order. He reiterated that the Ivory Coast recognizes only one China and that Taiwan is a province of the People's



Republic of China. Foreign Minister Qian Qichen expressed appreciation for this position taken by the Ivory Coast.

The two foreign ministers also exchanged views on bilateral economic cooperation. Qian Qichen noted that China is willing to actively take part in the Ivory Coast's economic construction.

Qian Qichen also met this afternoon with Ivorian Agriculture and Animal Resources Minister Kouassi Konan. The agricultural minister expressed satisfaction with bilateral agricultural cooperation.

This evening Foreign Minister Essy hosted a banquet to welcome Foreign Minister Qian Qichen on behalf of President Boigny and the government and people of the Ivory Coast.

#### **Meets Ivory Coast's President Boigny**

*OW1601224692 Beijing XINHUA in English  
2225 GMT 16 Jan 92*

[Text] Abidjan, January 16 (XINHUA)—President of the Republic of the Ivory Coast Felix Houphouet-Boigny met here Thursday morning the visiting Chinese State Councillor and Foreign Minister Qian Qichen, saying that his country was ready to have trustful cooperation with China.

Talking about the international situation, the president said developing countries were facing the task of freeing themselves from under-development.

The unfair world economic order characterized by the drop in prices of primary products posed major difficulties for the development of these countries, he said.

The president said many of the disturbances around the world were resulted from economic issues.

He stressed that developing countries should strive for prosperity through developing economy in peaceful ways.

Qian, who arrived here Wednesday on the fourth leg of his six-nation African tour, conveyed regards and a letter of invitation from Chinese President Yang Shangkun to Boigny who accepted the invitation with pleasure.

Qian appreciated the achievements made by the government and people of the Ivory Coast under the leadership of Boigny.

Also on Thursday morning, president of the republic's National Assembly Henri Konan Bedie held friendly talks with Qian.

Bedie said the parliament of the Ivory Coast attached great importance to its relations with the Chinese National People's Congress (NPC), adding that the National Assembly had established a group for the friendship between the two countries.

Qian briefed Bedie on the situation in China such as economic construction and the policy of reform and opening to the outside world, including the reform in prices.

As to the world issues, both sides agreed that each nation should maintain its political stability and economic development.

They stressed that developing countries should strengthen their cooperation and make joint efforts for a new world order.

During the meeting, Qian conveyed to Bedie regards and good wishes from chairman of the NPC Standing Committee Wan Li.

#### **Arrives in Ghana, Praises Government**

*OW1601211292 Beijing XINHUA in English  
2051 GMT 16 Jan 92*

[Text] Accra, January 16 (XINHUA)—Chinese Foreign Minister Qian Qichen arrived here today to continue his tour of six African countries.

Upon his arrival at the Kotoka International Airport, Qian said in a written statement that the Chinese Government "is ready to make concerted efforts with the Ghanaian Government to bring the friendly relations and co-operation between the two countries to a new high."

He praised Ghana for being one of the first African countries to have established diplomatic relations with China.

In recent years, the sincere and effective co-operation between the two countries in various fields had further consolidated and developed their traditional friendship, the Chinese minister said.

During his two-day stay in Ghana, Qian, who is also a state councillor of the Chinese State Council, will exchange views with Ghanaian leaders on bilateral relations and major world issues.

Before arriving here, the Chinese foreign minister visited Mali, Guinea, Senegal and the Ivory Coast. He will also visit Namibia during his current six African nation tour.

#### **West Europe**

##### **China To Cooperate With UK on Hong Kong**

*HK1601125092 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1127 GMT 16 Jan 92*

[Text] Beijing, 16 Jan (ZHONGGUO XINWEN SHE)—Chinese Foreign Ministry spokesman Wu Jianmin said here today that the Chinese Government is willing to cooperate closely with the British side to ensure a smooth transfer of power in Hong Kong in 1997.

At the press briefing, a reporter asked about China's attitude on Britain's appointment of a new Hong Kong governor this year.

Wu Jianmin said: It is China's consistent position that the Hong Kong issue is a matter between China and Britain; however, the Hong Kong issue will become China's internal affair after 1997. The Chinese side hopes to maintain the prosperity and stability of Hong Kong.

#### **Austrians Hold Economic Talks in Kuming**

AU1501112692 Vienna WIENER ZEITUNG  
in German 15 Jan 92 pp 1,3

[Heinz Fahnler report: "Chinese Urge Soft Loans"]

[Text] After ending its intensive working talks in Beijing and briefly visiting China's third largest city, Tianjin, Austria's parliamentary delegation led by Nationalrat President Heinz Fischer arrived in Kuming, the capital of the Province of Yunnan, in southwestern China, where primarily visits to factories and economic talks are on the agenda. Deputy Guenter Stummvoll, a former state secretary in the Finance Ministry, is on an "economic fact-finding mission."

As of 1 April, Stummvoll will start work as the new secretary general of the Austrian Chamber of Commerce and Trade.

Chamber President Maderthaner will fly to China in March together with high-ranking representatives of Austrian business and industry.

Stummvoll said to WIENER ZEITUNG: "I am trying to find out here what opportunities Austria's business and industry have in China. This country's economic data are impressive, there is a high economic growth potential, and China intends to increasingly introduce private enterprise elements into its policy. In this respect, there should be opportunities for Austria as a highly industrialized country and a tourism country with many small and medium-sized companies to help China with its economic reconstruction."

The economic relations between Austria and China are traditionally good. However, they are currently overshadowed by the "soft loan problem."

These are credits at very low interest rates that Austria has granted the Chinese in the past and that the Finance Ministry intends to cut.

Whereas Finance Minister Ferdinand Lacina considers soft loans an "initial relief measure," but not a permanent form of financing, Chamber of Commerce and Trade Secretary General-designate Stummvoll says: "Lacina's restrictive position is problematic because other countries can offer the Chinese much better conditions."

From 1985 through 1989, Austria granted China a soft loan totaling 7.3 billion schillings, which has been fully utilized.

China is now urging Austria to grant new soft loans and has made it absolutely clear that if Austria insists on its position, it cannot expect to get any new orders for existing projects or consider concluding new projects.

Negotiations were originally scheduled in Vienna in the late fall of 1991. The Finance Ministry demonstrated basic readiness for talks, but only on the basis of commercial credits, which the Chinese side flatly rejected as insufficient.

During the parliamentarians' current trip, Stummvoll intends to renew the invitation to the Chinese. Stummvoll has a convincing argument: A study of the WIFO Economic Research Institute that was prepared by order of Austrian Industries and was completed shortly before Christmas 1991, shows that based on detailed analyses, WIFO recommends granting soft loans to China, Indonesia, Thailand, Malaysia, and Turkey.

In trade with China, Austria had a deficit of roughly 1.2 billion schillings in 1990; the deficit increased to a record 1.8 billion schillings in the first nine months of 1991 alone. Whereas Austrian exports to China increased 7.9 percent to 2.2 billion schillings, imports from China increased to more than 4 billion schillings.

However, the Chinese view this differently. Their trade balance with Austria does not list those goods that are shipped via Hong Kong but were produced in the People's Republic of China. So China for its part talks about a deficit with Austria.

Thus, in his talks with Austrian parliamentarians, Peng Chong, vice president of the Chinese parliament, said: "Trade between our countries is not sufficient." The Austrians agreed to his assessment, if for different reasons. In an effort to encourage the Austrians, Peng Chong said: "Austria can invest here, our door to the outside world continues to be open," and, citing Confucius, he added: "It is a great pleasure for us to receive friends from distant countries."

### Political & Social

#### Article on Deng's 'Brain Trust' of Bridge Players

HK1701060592 Hong Kong CHING PAO in Chinese  
 No 174, 5 Jan 92 p 40

[Article by Ming Li (2494 7787): "Deng Xiaoping's 'Brain Trust'"]

[Text] Fellow Bridge Players Are Also His "Brain Trust"

Deng Xiaoping likes playing bridge and watching football matches. This is a fact known to many people in China and abroad. In recent years, he has also enjoyed watching volleyball matches and swimming events. In early autumn, Deng told Nie Weiping, a famous weiqi player, that sports can display people's physical qualities, mass participation, economic conditions, the government's attention, and scientific guidance. In addition, two conditions are also of great importance: One is the emancipation of people's minds, and the other is the will to fight.

Deng Xiaoping also has a habit. Every time he finishes a bridge game, he will talk with the other players about domestic and international current affairs for one or two hours. In general, Deng listens more than he speaks. He likes to ask: Can you provide more comprehensive and concrete information? What Deng is most concerned about, naturally, is economic development. Deng inquired about the development of Shanghai's Pudong and Hainan Province, and then he said: Hainan Province has the conditions for development, and the difficulties it has encountered in the course of opening up to the outside world mainly come from the existing systems, which allow various departments and localities to go their own way without coordination and also to constrain each other. Therefore, it is not enough to merely talk about reform; action should actually be taken with a sense of urgency to achieve solid results.

According to people who have close relations with Deng Xiaoping, Deng's fellow bridge players are also members of Deng's "brain trust." They mainly include Wan Li, Ding Guangen, and Wen Jiabao. If Yang Shangkun is in town, he is also always present. They certainly meet once or twice a week. Mostly, they meet on Wednesdays, Saturdays, or Sunday afternoons. On their meeting days, Deng Xiaoping does not have a nap after lunch. If they discuss major state affairs, Deng will certainly invite Jiang Zemin to his house. When Jiang arrives, Deng will say: "Our general secretary" or "our leader" is coming. Deng Xiaoping also asks Jiang Zemin to first express his personal opinion. Sometimes, he also invites Bo Yibo to his house.

#### Observe More and Make Fewer Comments on Soviet Affairs

At a recent get-together, Jiang Zemin talked about the policy toward the Soviet Union. Jiang said: The Soviet issue is very complicated. There are contradictions

between different nationalities, territorial disputes between various republics, problems with distribution of resources and debts, and the present shortage of food and energy. More crucial issues include who possesses power, control of the nuclear weapons, and international treaties. Our policy is still to "observe" more and to make fewer comments. We should focus our efforts on our own economic construction and properly accelerate the pace of our advance. After listening to this, Deng Xiaoping said: This is an all-sided opinion, and it should be persistently put into practice. In addition, if the Soviet people ask for material assistance, we can provide them with internationalist assistance according to our own conditions.

#### Wen Jiabao, an Adept Document Drafter

According to some sources, Deng Xiaoping deeply trusts Wen Jiabao, current director of the CPC Central Committee General Office. In 1988, Deng Xiaoping told the personnel in the CPC Central Committee General Office that Director Wen was a man with strong party spirit. He would not drift along with the trends, and he had strong work ability. Many documents he drafted did not need to be revised. It is learned that Wen Jiabao is not only erudite, but also proficient in Russian, English, and French. He learned Russian in his college days in the 1950's, and learned English and French mainly through self-teaching courses. In addition, Wen is a marksman who can shoot with a gun with both hands, and he knows how to drive a tank and a motorcycle.

#### Peng Zhen Explains Mao 'Cult' to Cadre Children

HK1701100792 Hong Kong CHING PAO in Chinese  
 No 174, 5 Jan 92 p 48

[Article by Meng Lin (1322 2651) dated December 1991: "Peng Zhen Discusses 'Mao Zedong Cult' With Children of Senior Cadres"]

[Text] In the wake of the drastic changes in the Soviet Union, senior CPC statesman Peng Zhen held a discussion in Beijing with the children of some senior cadres from the CPC Central Committee. During the discussion, Peng Zhen encouraged them to carry out the behests of the older generation of revolutionaries, plan and worry ahead of the people and enjoy the fruits after the people, establish the ideal of dedicating themselves to the Communist cause, and withstand all trials and tribulations under the grave international situation. It is learned that more than 100 children of senior cadres and youth league cadres attended the discussion and the atmosphere was lively throughout. During the discussion, Peng Zhen focused on how to obtain a correct understanding of the "Mao Zedong Cult" which prevailed among some young people and some localities of mainland China previously.

#### Factors Leading to Rise of "Mao Zedong Cult"

Peng Zhen indicated that people should try and approach the "Mao Zedong Cult" phenomenon from all



angles. The reason why a "Mao Zedong Cult" was prevalent among young people for a time is that young people had experienced a sense of loss in their pursuit of a certain doctrine; as a result, they had slim hopes for the country's future for a short while. Generally speaking, these young people were not familiar with Mao Zedong's Thought and theory and some intended finding certain hope in Mao Zedong's works as a mental relief. In a sense, therefore, such a phenomenon is the expression of young people's immature mentality of rebellion. Objectively speaking, a small number of people in society, including some party members and cadres, may still worship Mao Zedong; as a result, they are disgusted with and refuse to accept the policies currently practiced in China. Some of them have a strong aversion to the various corruptive practices existing in society. Thus, it is not at all surprising to see the emergence of this phenomenon.

#### How Should We Evaluate Mao Zedong Thought?

Peng Zhen added: The comprehensive conclusion and evaluation from the Third Plenary Session of the 11th CPC Central Committee on Mao Zedong, as well as on his thoughts and works, have a significant guiding role on how to obtain a correct understanding of Mao Zedong Thought. We admit that there are divergent views on the evaluation of Mao Zedong's contributions and mistakes in the history of Chinese revolution and construction and we will leave this issue for the next generation to assess. We have emphasized that Mao Zedong Thought is not the talented creation of a certain individual but a theory implemented by the CPC in its protracted practice of revolution, as well as a summary of the party's collective wisdom and experience. We hold the view that no Maoism which was purely man-made existed during the "Great Cultural Revolution." We should be very clear on this issue and ensure that no ideological confusion is caused. Meanwhile, we will not put the blame on Mao Zedong alone for a number of major political and economic frustrations over the 42 years since the founding of New China. However, as the party's chairman, Mao Zedong encouraged the practices that "one person alone lays down the law" and that "one person alone dominates the entire party and country" under certain circumstances. He should indeed be held responsible for most of these mistakes. Any attempts to evade or deny this issue will not only put our people at a loss, but also run counter to the Marxist scientific attitude and the spirit of seeking truth from fact. The biggest difference between a communist and a capitalist party is that the former is willing to work conscientiously and has the courage to admit and correct its faults and mistakes. As Comrade Xiaoping has said, the present reform and opening up is also a process of self-reform and self-perfection for us under the social system of socialism.

Peng Zhen continued: In learning, studying, and utilizing Mao Zedong Thought, we should try our best to refrain from engaging in formalism, copying mechanically in disregard of specific conditions, or making

one-sided interpretations; nor can we take Mao Zedong Thought as a supreme guide to reject and oppose the party's principles and policies today. We have repeatedly stressed that Mao Zedong Thought itself needs further development, revision, and perfection. Some of the theories have limitations and, though they played a certain guiding role in the past, we should not copy them mechanically; otherwise, we will make mistakes. Therefore, we should be very careful not to go to the other extreme.

#### New Edition of Mao's Works Said 'Major Hit'

OW0701152092 Beijing XINHUA in English  
1427 GMT 7 Jan 92

[Text] Beijing, January 7 (XINHUA)—Over 10 million volumes of the new edition of late Chairman Mao Zedong's works were sold in 1991.

Other books featuring the former leader are best-sellers here as well.

Sources with the XINHUA bookstore chain, China's biggest book distributor, said the new-edition of the four-volume Mao's selected works, is a major hit on the domestic book market.

#### Luo Gan Stresses Discipline in Government Organs

OW1601174392 Beijing XINHUA Domestic Service  
in Chinese 0850 GMT 16 Jan 92

[By reporter Dou Guangsheng (4535 1639 3932) and correspondent Wen Jianguo (2429 1696 0948)]

[Text] Beijing, 26 Jan (XINHUA)—At the fourth party discipline inspection conference of central government organs today, Luo Gan, secretary general of the State Council and secretary of the Central Work Committee for Government Organs, called on discipline inspection organs and party committees at all levels to strengthen disciplinary supervision over leading party and government organs and party-member leading cadres, enforce strict party discipline, and unfold sustained and in-depth struggle against corruption.

In recent years and under the leadership of party committees at all levels, discipline inspection commissions of central government organs at all levels have investigated and punished a number of cases involving discipline violations in the party. They have made positive contributions toward enforcing and maintaining party discipline, and in promoting party style and a clean government. According to statistics, since 1989, discipline inspection commissions of central government organs at all levels have dealt with over 2,500 cases of discipline violations by party members, and punished over 1,200 of them, of which some 340 were expelled from the party. Party disciplinary actions were also taken against 160 party-member cadres at department-bureau level and above.

Luo Gan said: Although the main trend regarding party style and honesty in central government organs is good, one must not underestimate existing problems. Judging from the cases of discipline violations dealt with in the last few years, the main problem is that some party-member cadres have abused their authority and duties for personal gains and gotten involved in corruption and bribery, dining, entertaining and accepting gifts. Although they were isolated cases and formed a minority among party members, the impact they caused has been serious.

Luo Gan pointed out: The State Council is the highest administrative organ of the state. Discipline in central government organs reflects how strict and impartial they are when they execute the demands of the party Central Committee and the State Council for building a honest government, and the exemplary role set by party-member leading cadres in strictly enforcing prohibitions and orders has important bearing on the localities and grass-roots units. Therefore, discipline inspection commissions as well as party and government leaders at all levels should enforce strict party discipline, fight corruption, and work hard to produce more results.

Luo Gan demanded: Party committees and discipline inspection commissions at all levels must combine the investigation of all kinds of discipline violations in the party with efforts to correct unhealthy tendencies in their own departments, and strictly prohibit the use of public funds for wining and dining, gifts, issuing monies and articles, and travel. He said: Party-member cadres in central government organs, in particular, party-member leading cadres, whether in the office, away on official business, or attending meetings, must stay clean and honest, exercise self-control, willingly accept supervision by the people and local grass-roots units, and set a good example.

On the tasks henceforth, Luo Gan said: Party committees at all levels and leading administrative comrades of departments must pay closer attention and provide support to discipline inspection work, promptly help to solve difficulties and problems encountered by discipline inspection organs when they try to enforce discipline and investigate cases, and fully exercise the functions and roles played by discipline inspection commissions at all levels.

The meeting opened on 15 January. Zhang Jingyuan, deputy secretary of the Central Work Committee for Government Organs, and Qu Shouqing, secretary of the discipline inspection work committee of the Central Work Committee for Government Organs, also addressed the meeting.

#### **NPC's Wan Li Makes Inspection Tour of Harbin**

OW0701115292 Beijing XINHUA in English  
1104 GMT 07 Jan 92

[Text] Harbin, January 7 (XINHUA)—Wan Li, chairman of the Standing Committee of the National

People's Congress, made an inspection tour of Harbin, the capital city of northeast China's Heilongjiang Province, between January 5-7.

While inspecting urban construction, he said that urban planners should have a long-term and developing point of view in order to lay a solid foundation for urban construction in coming decades.

Wan expressed satisfaction with the construction of roads and bridges and renovation of outdated houses in the city.

He said that urban construction and renovation of outdated houses must be done according to a careful plan.

Wan was happy to learn that urban citizens in the city still have fresh vegetables during the cold winter season. He noted that the construction of non-staple food production bases is an important part of urban construction and should be done well.

Recalling his previous visits to the city, Wan noted that Harbin has made progress in upgrading outdated houses over the past few years. However, he said, more efforts should be made in this respect in order to help those households who have great difficulty in housing.

He also called for efforts to solve environment pollution.

#### **Beijing Writers, Artists Discuss Human Rights**

HK0901050392 Beijing GUANGMING RIBAO  
in Chinese 17 Dec 91 p 3

["Excerpts" of speeches by writers and artists attending forum entitled: "Literature, Art Should Strive for Correct Depiction of Human Rights in China," held in Beijing on 4 December 1991; first paragraph is editor's note]

[Text] On 4 December, the China Federation of Literary and Art Circles and this paper invited some noted personalities from the capital's literary and art circles to a forum on the "Human Rights in China" White Paper. The participating comrades gave their views on the significance and effect of the White Paper's publication as well as on their understanding of it. In particular, they spoke on questions of how literature and art should correctly reflect our country's human rights conditions and propagate the socialist view on human rights. Today, we publish excerpts of their speeches for our readers.

#### **Clearly Recognize the Hypocrisy of Bourgeois Human Rights—by Li Ying [2621 3841]**

The publication of the White Paper "Human Rights in China" elicited a great reaction both at home and abroad. The White Paper comprehensively and systematically expounded on our country's basic stand and basic policy on the question of human rights. Using vast amounts of explicit facts, it presented in a factual manner the fundamental changes which have taken place

in our country's human rights conditions since the birth of New China and the enormous efforts and achievements we have made in stressing and upholding human rights. This is a document of great historical value and realistic significance. One is profoundly educated and inspired after reading it.

For more than half a century, a most basic and important feature of the great accomplishments which our people have achieved under the leadership of the CPC is human rights. But this accomplishment is often neglected because our propaganda and media have failed to give a systematic presentation and profound exposition of the subject. Why have the Chinese people shed blood and made sacrifices over the past 100 years? Was it not, first and foremost, for the right to live, the right to survive, and the right to be a human being. Given the class exploitation and national oppression in old China, millions of working people struggled on the brink of death. They lacked even the most basic right to adequate food and clothing and the basic right to a decent living. How could they even talk of human rights! It was only when New China was born and Comrade Mao Zedong announced solemnly to the whole world that the Chinese people had stood up, that the people of all China enjoyed the right to become masters of their own fate and take their destiny in their own hands. This was a remarkable and earthshaking event which every decent person has to acknowledge.

The Chinese people came to a profound understanding of the question of human rights in the course of their rich historical experiences and arduous revolutionary struggles. They have opened up a broad vista for the development of human rights. Hence, it can be said that our socialist motherland and our great people led by the Communist Party are the most qualified to speak about human rights because they have experienced most deeply the misery and humiliation of not having human rights and the importance of enjoying human rights. However, international hostile forces have been making loud noises for a long time on the question of human rights, acting as if they are the ones who speak on human rights, respect human rights, genuinely know about humanitarianism, and are truly concerned about the rights of the Chinese people. Proclaiming themselves "human rights guardians," they pursue power politics and brazenly intervene in the domestic affairs of other countries. Anyone with the slightest knowledge of Marxism knows that human rights in a capitalist society means the bourgeois privileges which stem from and are determined by capitalist productive relations. This kind of human rights is based on the system of private ownership. Its internal foundation lies in the flagrant exploitation and oppression of the majority by a minority, while its external foundation lies in infringement upon and intervention in other country's sovereignty and domestic affairs and in the enslavement of other peoples. Therefore, we say that the bourgeoisie cannot truly understand and speak about human rights, even if they do have extravagant and highfalutin passages in their laws and legal codes!

Speaking about human rights, it should be acknowledged that there are no abstract human rights in this world, only concrete human rights. Human rights is also a class concept. Different classes, societies, and states will have different views about human rights because of differences in historical backgrounds, social systems, cultural traditions, and economic conditions. We should use Marxism as the fundamental standpoint in making a social, class, and historical assessment of human rights, expose the hypocrisy of the bourgeois doctrine on human rights, and iron out the ideological confusion which they have created.

**People Only Acquired Human Rights With Advent of Socialism—by Li Xifan [2621 1585 0416]**

The publication of the White Paper "Human Rights in China" is of great realistic significance because, internationally speaking, Western hostile forces are currently using their concept of "human rights" as an instrument to intervene in the domestic affairs of developing countries, even using it as a threat to withhold aid and trade. In fact, the human rights which they demand of other countries is merely an attempt by them to cultivate their own forces in other countries in order to gain control of those countries. This is the basic objective behind their perennial talk of human rights. Compared with the "God-given human rights" of which their ancestors spoke, their concept of human rights today has long undergone essential changes. While the "God-given human rights" constituted a challenge to the special privileges enjoyed by the feudal lords, their concept of "human rights" today is raised principally against countries and peoples who have won independence and liberation from their rule. Hence, it is no exaggeration to say that this is just a new means for them to gain control of another country.

Naturally, we respect human rights and safeguard the citizens' rights in a socialist society. But we promote the human rights of the great majority of the people and will never tolerate a handful of people using the slogan of "human rights" to jeopardize the interests of the majority. We uphold the Marxist view of human rights.

The White Paper explicitly emphasized: "The right to subsist is the foremost human right achieved by the Chinese people in their long struggles." This is the conclusion to the century-long blood-and-tears struggle of the Chinese people for emancipation. Before 1949, the Chinese people, who comprised one-fourth of the world's population, had always lived in hunger and misery and had no right to subsist of which to speak. Speaking for myself, I am now over 60 years old. In my youth, I had no such right to subsist, only the right to be deprived of schooling and of employment. That was life in old China. Then, for a very long time, it was life in a Beijing ruled by the Japanese aggressors. We ate mixed noodles and lived as semi-conquered people, surviving at the whim of others. After the victory in the war of resistance against Japanese aggression in 1945, and the return of Kuomintang [KMT] rule, did the Chinese



people emerge from poverty and gain the right to subsist as human beings? No. The KMT reactionaries did not care about the hardships suffered by the people during eight years of enslavement by the Japanese aggressors. Instead, they vigorously sought to make money and continued to exploit the people. Aided by the United States, they attacked the people in the liberated areas. During the eight-year occupation by the Japanese aggressors, the streets of Beijing were filled with gun-toting Japanese soldiers who could kill ordinary people as they pleased. After the victory in the war of resistance against Japanese aggression, the streets swarmed with the KMT soldiers who acted like the landlords' restitution corps, the suffering people, and arrogant U.S. troops who acted like occupation forces. Where could the Chinese people find any human rights? They had to fight for the most basic right to subsist. When our people finally drove away the U.S. troops and defeated the KMT reactionaries in 1949, they won, first of all, the independent right to subsist free from foreign oppression and finally obtained decent living standards and increased prosperity for today's 1.1 billion people. Except for those with an ulterior motive, no country in the world can deny our glorious achievements in this area.

Under their own system of people's congresses, the Chinese people enjoy extensive democratic rights and treasure enormously the rights that they have won through bloodshed and sacrifice. We are deeply aware that only by upholding the socialist system and stability and unity can we build an even better future. Those foreign forces with ulterior motives should never be allowed to hoist the banner of human rights to cultivate antisocialist elements in our country, incite turmoil and rebellion, and disrupt our social stability.

Both China's history and the current international situation offer profound lessons in that the right to subsist was obtained by the people at a high price and that only by insisting on advancing along the socialist path can our country grow stronger and more prosperous.

#### **Relations Between Human Rights and Literature, Art—by Liang Guangdi [2733 0342 1717]**

Following publication by the State Council's Information Office, the White Paper "Human Rights in China" was read carefully and sincerely supported by many comrades in literary and art circles. Because the human rights question is closely connected to literature and art, it merits further attention and emphasis and greater understanding by people in our literary and art circles.

In the old society, owing to oppression and exploitation by imperialism, feudalism, and bureaucratic capitalism, the Chinese people led a miserable, slave-like existence without the right to subsist, much less democratic rights in politics. In those days, given the cultural aggression of imperialism and the cultural harassment by KMT reactionaries, writers and artists in China's literary and art circles who sought enlightenment and upheld justice, were not only deprived of creative freedom but also of

any guarantee regarding their physical security. Take, for instance, the great, world-renowned Mr Lu Xun who did not enjoy any human rights at all. He was branded a "decadent literary" person by the reactionaries and secretly put on the wanted list, forcing him to flee his home for sanctuary elsewhere several times. When he translated and published *Destruction* under the pseudonym "Sui Luowen" [7131 3157 2429], he was subjected to "strict censorship" under secret KMT orders. Going through the history of modern China's literature and art, starting with the death of the five martyrs of the League of Chinese Leftwing Writers in Shanghai, to the murder of Yu Dafu by Japanese militarists, to the assassination of Wen Yiduo by KMT agents, countless fine writers and artists have either wasted away in reactionary prisons and the black holes in the Sino-U.S. Cooperation Center, or been butchered by the imperialists and reactionaries! Where were their human rights? Where were the human rights of the Chinese people?

After the creation of new China, writers and artists were also liberated, receiving assurance and an amelioration in their living standards. Their rights to creative freedom and to criticize freely are protected by the Constitution and the law. Many friends from the literary and art circles in other countries have expressed great admiration at the fact that socialist China's writers and artists not only receive remuneration for their work but also a fixed salary. They have also praised the fact that our country's literature, films, television, and other creative works are not decided by the purses of capitalists.

The question of human rights is closely connected to literature and art. Our literature and art circles should, first of all, foster and uphold the Marxist view on human rights; confidently publicize how extensive, fair, and truthful socialist China's human rights are; and expose the hypocrisy and reactionary nature of the bourgeois view on human rights. As villains who lodge their complaints first, Western hostile forces have transformed the question of human rights into a tool for carrying out peaceful evolution in socialist countries. Meanwhile, the internal forces represented by the bourgeois liberal influences, responded to the peaceful evolution attempt by actively touting the bourgeois view on human rights. It should be particularly noted that the bourgeois views on human nature and humanitarianism—which can easily produce a negative impact on literature and artistic theories and works—are in the same vein as the bourgeois view on human rights. Consequently, bourgeois liberalization should be criticized intensively to resolve the question of human rights. At the same time, we should also correctly exercise, treasure, and protect the freedom to create and the freedom to criticize as bestowed upon us by the people, boost our sense of historical mission and of social responsibility, and strive to serve the people and socialism. Literature and art should be used to sing the praises of the sacred people's liberation struggle and the national liberation struggle waged by the people to obtain human rights under the leadership of the CPC. It

should positively reflect the glorious achievements gained in the socialist construction and in the reform and opening up, as well as demonstrate the reliable guarantee offered by the socialist system regarding the people's rights.

**Use Literature, Art As Tools To Uphold Socialist China's Human Rights—by Ding Zhenhai [0002 2182 3189]**

The White Paper "Human Rights in China," published recently by the State Council's Information Office, has upheld the country's sovereignty and national dignity, boosted the morale of the Chinese people, and dealt a heavy blow to the "human rights guardians" of the West.

The literature and art workers in China should perform their own respective functions in order to realize the lofty goals of Chinese socialism, that is, total human rights, by using the theoretical viewpoints cited in the White Paper as their guide, the vast amount of material revealed in the White Paper as their lead, and literature and art as their weapon. At the same time, they should take an active part in worldwide human rights activities, expose the despicable acts of intervention by Western hostile forces in the domestic affairs of other countries under the guise of human rights but actually in pursuit of hegemonism, and strive to eliminate all kinds of irregular phenomena in the realms of international human rights.

To extol and to expose—these have always been the two basic functions of literature and art. This is particularly true in socialist literature and art. The White Paper pointedly noted: "Unless a state is independent, the lives of its people can have no guarantee. It is imperialist aggression which, first and foremost, jeopardizes the existence of the Chinese people." Our writers and artists should integrate the lessons from contemporary and modern history and use the vigor and vitality of revolutionary realism to depict, factually and profoundly, the crimes committed by imperialist powers against the Chinese people. Let their self-acclaimed "certain faulty strokes in history" be exposed under the glaring light! Our writers and artists should pay warm tribute to the formidable and outstanding struggles waged by countless heroes, especially the people led by the CPC, in order to overthrow the oppression of the "three mountains" and win the people's right to subsist and other political, economic, cultural, and social rights. They should sing the praises of the fundamental transformations and brilliant accomplishments achieved in China's human rights conditions in the 40 years since the founding of the PRC. Needless to say, our country has also suffered all kinds of setbacks in the effort to uphold and develop human rights and there remains much room for improvement. Of course, these may also be reflected in literature and artistic works to further improve the conditions of socialist human rights; besides, whether the objective is to extol or to expose, it should reveal the following essential fact of life: Only by upholding the leadership of the CPC and the socialist system can the

Chinese people's human rights conditions be genuinely widespread, fair, and truthful. There was a time when, influenced by incorrect ideas like the theory of socialist alienation and the bourgeois view on human nature on abstract humanitarianism, literature and artistic works beautified the imperialist exploitation and humiliation of the Chinese people, vilified the great achievements obtained in the people's revolutionary struggles and socialist construction under CPC leadership, and created a great historical reversal on the fundamental question of what to extol and what to expose. This lesson is extremely profound. It proves all the more that, when our literature and artistic workers shoulder the historic responsibility of upholding and developing human rights under Chinese socialism from their own unique and entirely extraordinary perspective, they should erase the lingering poison and influences of the bourgeois view on human rights from the high plane of ideology and theory and strive to study and master the Marxist view on human rights. In this area, the White Paper "Human Rights in China" is of immense educational value to us.

**Socialist China Is Most Qualified To Talk About Human Rights—by Ma Yingbo [7456 9496 0130]**

Recently, an important Western politician stated: "How can the poor human rights record of China, which has a quarter of the world's population, be ignored? China is so big that the United States cannot continue to ignore it." His admission here that the great China cannot be continued to be ignored should be considered as progress. At the same time, he also committed a huge mistake by distorting the facts on the question of human rights.

The human rights record of socialist China is quite remarkable. In old China, the people had twice been enslaved by the country's oppressive class and by foreign capitalists and had been willfully exploited and humiliated. The people were only able to win the right to be decent human beings, earn the right to subsist, and acquire political, economic, cultural, and social rights after liberation. This year, Jiangsu, Anhui, and other areas suffered from extraordinarily grave flooding such as occurs but once a century. If this had happened in the old society, it could have led to millions of deaths. But the party and the government led the people in the valiant struggle against the floods and created a miracle whereby not a single person drowned, save for accidents; not a single person died from starvation; there was no epidemic after the disaster; and no school children were forced to quit school. Indeed, socialist China is most qualified to talk about human rights.

On the contrary, the human rights records of the countries of the Western "human rights guardians" are not so commendable. Even though the human rights proposal raised by their ancestors carried positive antifeudalist significance, these human rights were flawed with bias, narrow-mindedness, and hypocrisy, right from the start. Today, their human rights have changed even more in

essence and have become excuses for blatant intervention in the domestic affairs of others, as well as capital for flagrant bribery and blackmail.

At a time when our people and the international community were applauding the publication of the White Paper, Western "human rights guardians" were again making noises, claiming that the right to subsist was not a human right at all. They charged that China's assertion of "the right to subsist in terms of basic needs" as the primary human right was "a misunderstanding of the concept of basic human rights." The right to subsist as the primary human right—this is the view of historical materialism.

Literature and art can do much to reflect correctly human rights conditions. The film, "Bloody Evidence of the Nanjing [Nanking] Massacre," offered a graphic portrayal of the unspeakable savagery by the Japanese aggressors in the rape of Nanjing. This film won first prize for a feature film at the Tokyo World Peace Film Festival in October this year. It shows that factual depiction of history is welcomed by all decent and fair-minded people. In the recent movie, "After the Decisive Battle," we respected the person and dignity of our enemies who had surrendered their arms and transformed them from prisoners of war to citizens of the PRC through rehabilitation. Are these not vivid proof of socialist China's competence to talk about human rights? We should use literature and art as a weapon to expose the true antihuman rights nature of imperialism and extol the glorious achievements of socialism in struggling to achieve and uphold human rights.

#### **Do Away With Blind Faith in Bourgeois Human Rights—by Xu Feiguang [1776 7236 0342]**

There has never ever been popular, abstract, and unconditional human rights in the world. By hoisting high the banner of human rights, the bourgeoisie only seek to serve the interests of their own period and achieve the goal of safeguarding the predominance of their class. During the bourgeois revolutionary periods, human rights were used as basic slogans to overthrow the rule of the feudal class. Even then, there were no popular and unconditional human rights. But still, hoisting high the banner of human rights during the establishment and ascent of imperialism may generally be said to have progressive significance and to have played a role in promoting the advance of history.

When capitalism evolved into the stage of imperialism, it had in fact trampled human rights and caused two world wars which took the lives of millions. What human rights were there of which to speak? The deaths of several million Jews in the concentration camps—what human rights were there of which to speak? The United States supported the reactionary Chinese regime of Chiang Kai-shek in launching a civil war and then launched two large-scale wars of aggression against Korea and Vietnam—what human rights were there of which to speak?

In recent years, the Western "human rights guardians" seem to have reawakened and proclaimed themselves defenders and teachers of human rights. If it is said that their early advocacy of human rights had some progressive significance, then the human rights they tout nowadays are extremely hypocritical. Today, they are in fact pursuing their strategy of peaceful evolution in socialist states and of establishing worldwide hegemonism under the guise of protecting human rights. It can also be said that the protection of human rights is now a "guided missile" being used to topple socialism and a strategic weapon to promote hegemonism.

It should be noted that the Western media have, in recent years, created a true "modern superstition" or "modern myth" on an unprecedented scale. This superstition or myth is the worship and veneration of the capitalist system, including private ownership, market economy, and the supremacy of money; it is the worship and veneration of bourgeois value concepts. The bourgeois human rights myth forms an important part of this "modern superstition." Consequently, our ideological and theoretical fronts, including our literature and artistic fronts, are in effect confronted by a major challenge, that is, to do away with blind faith in bourgeois human rights, liberate our thinking, confidently expose the hypocrisy of bourgeois human rights, and reveal the true nature of their pursuit of hegemonism under the guise of protecting human rights. The White Paper on human rights which we have published is an important ideological weapon for the destruction of this "modern superstition."

#### **Promote Human Rights With Cultural Rights Firmly in Hand—by Lu Guishan [7120 6311 1472]**

Independent sovereignty, united and strong politics, a prosperous and growing economy, and a stable society—these form the basis and premise for the guarantee of human rights.

Human rights are not abstract. This is a concrete subject; hence, it is necessary to make an historical and class assessment of the human rights issue. To arrive at a correct understanding and handling of the human rights issue, it is necessary to resolve the following in theoretical terms: 1) The relationships between the universality and uniqueness of human rights; 2) the relationships between the collectiveness and individual nature of human rights; and 3) the relationships between the immediate and long-term interests in human rights. It is necessary to proceed from the wide and comprehensive perspective of consolidating and developing the social and ideological systems and the value concepts of socialism, establish the strategic theses on the human rights issue in a socialist society and, with the programs on cultural construction outlined in "On New Democracy" serving as the basis, build a theoretical framework for the concept of "national, scientific, and popular" human rights. The socialist concept of human rights should be "national" and should "be imbued with our



national features" from form to content. "The proposal for so-called 'total Westernization' is a wrong viewpoint."

Cultural rights form an important part of human rights. Human rights naturally include man's cultural rights. The control of cultural rights has a significant role in the protection, building, and promotion of human rights and in consolidating political power. Only when cultural rights are firmly in hand will it be possible to ensure that literature and art will serve the vast masses, reflect their needs for survival and development, and express their interests, hopes, and aspirations. Only when cultural rights are firmly in hand will it be possible to depict correctly the courageous struggles and glorious achievements of the revolutionary masses in the struggle for human rights and for political power. After the creation of New China, a large number of outstanding epic works emerged to warmly sing the praises of the great struggles to transform the land and win the right to subsist as human beings. But there were also some works which did not use the social class viewpoint in looking at the historical transformations resulting from the struggle for human rights; rather, they used the abstract theories of human nature and of universal love to look and observe the human rights relationships of man and between men. Some writers made no distinction between the nature of wars, claiming that both just and unjust wars constituted an infringement of human rights and a violation of human nature. Socialist literature and art should publicize the just and rational human rights enjoyed by the people under the socialist system. They should voluntarily offer their services to uphold, consolidate, and promote the human rights of workers, peasants, and intellectuals. At the same time, they should expose the hypocrisy and deceitfulness of the bourgeois human rights view. By so doing, we will be able to build a new socialist concept of human rights and establish the authority of this new concept which serves the interest of the majority.

**Treasure Right to Creative Freedom in Literature, Art—by Zhang Jiong [1728 3518]**

"Human Rights in China" used a scientific viewpoint and indisputable facts to expound to the whole world the real human rights conditions in our country and the fact that human rights are extensively protected in our country. This is a forceful retaliation against Western hostile forces which have used the human rights issue as an excuse to attack China.

There are no God-given human rights in this world. Human rights conditions are always connected with the concrete social conditions of a given historical period. To Marxists and proletarians, the realization of the equality of men should, first of all, be attributed to elimination of the oppression and exploitation of classes. It is inconceivable to think of any genuine equality between the oppressing and exploiting class on one hand and the oppressed and exploited class on the other. After overthrowing the oppression of the three mountains

represented by imperialism, the feudal landlord class, and the bureaucratic bourgeoisie, our people immediately plunged into the socialist revolution and construction. In spite of setbacks and failures during this process, the people enjoyed unprecedented rights and privileges after the creation of New China, the transformation of the oppressing class into self-supporting working people, and the elimination of contending classes. Especially since the new period, the increasing perfection of the legal system has led to even more widespread protection for human rights. The facts outlined in the White Paper were witnessed and personally experienced by our people.

As a literary and artistic worker, I would particularly like to point out that our people's right to subsist and right to development, including the right to work and to receive an education, are given real protection and that all citizens enjoy the freedom to engage in scientific research and in cultural and artistic creation. China has basically established its legal system on the protection of intellectual property rights. It has also outlined concrete goals and steps needed to boost the people's economic, cultural and social rights. Under the direction of serving the people and socialism, the policy of "letting a hundred flowers bloom and a hundred schools of thought contend" is also the policy which promotes prosperity and growth in the sciences and the arts by giving full protection to the citizens' rights and privileges in the scientific and artistic fields. Since the new period, scientists and artists have enjoyed complete freedom to engage in scientific research and to carry out artistic creation. This is also open for all to see. As for the criticisms of wrong things, this is consistent with the policy of "letting a hundred flowers bloom and a hundred schools of thought contend." Once criticized, certain "elites" who promote bourgeois liberalization would immediately yell that the policy of "letting a hundred flowers bloom and a hundred schools of thought contend" was gone and that their human rights were being violated. This only exposed their ignorance, or deliberate distortion, of human rights and the policy of "letting a hundred flowers bloom and a hundred schools of thought contend." The literary and artistic workers, as well as scientific workers, in China are fully confident that they will struggle for an even more perfect realization of human rights.

**New Prison Management Measures Examined**

HK1601141192 Hong Kong CHIUSHIH NIENTAI  
in Chinese No 264, 1 Jan 92 pp 76-77

[Article by Mao Sen (5399 2773): "Two New Justice Ministry Documents"]

[Text] Recently, Mainland China's Ministry of Justice issued Orders 11 and 12 under the headings "Regulations Guiding Management of Reform Environment in Prisons" and "Regulations Guiding Transformation Behavior of Prisoners," respectively.

These two documents are virtually the revised versions of previous relevant regulations, aiming to meet the needs of the new situation. The so-called new situation includes the following:

1. The security situation in both urban and rural areas is still very grave and the rate of criminal offenses remains high;
2. The number of criminal cases involving teenagers is soaring, while the age span of criminals has come down;
3. Overseas calls and demands for human rights have become increasingly stronger, and the mainland's treatment of prisoners has aroused the concern of the international community; and
4. The CPC has tided over the 4 June crisis and China's economy is gradually taking a turn for the better. Such a favorable situation has provided China with conditions to rectify the management and transformation environment of all prisons under the jurisdiction of the Ministry of Justice.

#### **Pronounced Political Color in Prison Management**

Judging from the two documents, China has gradually brought its prison management onto the track of "strict and civilized management in accordance with the law."

Although such a change is caused, or forced, as we may put it, by the general international climate, it is nevertheless gratifying progress. However, the documents of the Ministry of Justice, which always aims to exercise "the proletarian dictatorship" in the country, are an out-and-out reflection of the "socialist characteristics" of this autocratic society. The "10 forbiddens" on prisoners stipulated as the Second Clause in Order No. 12 is a perfect example:

1. No one is allowed to oppose the four cardinal principles, or fabricate and disseminate political rumors;
2. No one is allowed to resist management and education, avoid transformation, pretend sickness, or hurt or make himself disabled;
3. No one is allowed to go beyond the warning line or the assigned area for activities, or separate himself from mutual supervisory groups without permission;
4. No one is allowed to claim ties of blood or friendship, gang up, or foment discord by such means as eating and drinking, going in for code of brotherhood, or propagating regionalism;
5. No one is allowed to come to blows with others, gather people to stir up trouble, practice martial arts, manufacture lethal weapons, tattoo the skin, or gamble;
6. No one is allowed to disseminate criminal offenses and criminal ways, incite others to engage in criminal offenses, read and spread reactionary and pornographic books, or carry out feudal and superstitious activities;

7. No one is allowed to keep cash, grain certificates, casual wares, inflammables and explosives, toxic substances, ropes, or sticks and knives, nor can one wear insulated clothes, shoes and boots, or gloves without permission;

8. No one is allowed to make contacts with, or ask for and exchange money and materials with outsiders, nor can one ask outsiders to pass letters and messages;

9. No one is allowed to use his strength to bully the weak, or beat up and abuse, humiliate, extort money from, or frame false charges against other prisoners; and

10. No one is allowed to sabotage production, be slack in work, or steal and destroy public and private properties.

Actually, there are as many as 25 "forbiddens" or "bans" in the "Regulations Guiding Transformation Behavior of Prisoners," most of which are related to the daily management of prisoners, including regulations that "female prisoners are not allowed to have shoulder-length hair; they must have their hair trimmed on a level with their ears" and that "no one is allowed to beat tableware at meals."

#### **Awareness of Human Rights Has Begun To Emerge**

Mainland China's judicial organs, which seldom concern themselves with the human rights of the objects of dictatorship, have made the following several presentable revisions to the aforementioned "Regulations Guiding Management of Transformation Environment in Prisons":

Clause 16. Confinement cells should be set up inside or outside the living compound of prisoners according to actual needs. The usable floor area of each cell cannot be less than three square meters, the internal height should not be lower than three meters, while the windows should not be smaller than 0.8 square meters; protective equipment should be installed on doors, windows, and lights; measures should be taken to ensure that prisoners' beds are waterproof and can provide warmth; such cells should be well ventilated and brightly lit, and often disinfected; areas should be assigned outside the cells to let prisoners out for exercise or relieve themselves. If conditions permit, televised supervision and control equipment should be installed.

Such revisions have put an end to China's extremely inhumane treatment of imprisoned criminals in the past. Of course, it is another issue whether or not all localities can strictly implement the new regulations.

In Clause 17, the following preferential measures are adopted to improve conditions for family members to visit prisoners:

Clause 17. The visiting room should have both front and back doors, which are respectively linked to roads outside the prison and the confinement area to enable prisoners' families and prisoners to each go their own way. There should be propaganda boards inside the visiting room. In order to impose different management on prisoners at

different levels, strict, conventional, and preferential visiting equipment can be installed.

In the "Regulations Guiding Transformation Behavior of Prisoners," a considerable number of clauses are related to the living conditions of prisoners, emphasizing both sanitation and health. Prisoners of ethnic minority nationalities and those with special customs are exempt from some humiliating measures, such as having their heads shaved. All these should be viewed as rising awareness of human rights.

#### **Efforts Made To Prepare Prisoners for Beginning Life Anew**

Considering that the age span of criminals tends to decline and their general educational level has come down, the judicial authorities have begun to pay attention to providing vocational training and cultural education to young prisoners, with an aim to enable them to begin their life anew after being released from prison.

In the aforementioned Order 12, a chapter is devoted to "stipulations on study." Such stipulations are compulsory for prisoners and are combined with awards and punishments. Clauses 41-44 are as follows:

**Clause 41.** Prisoners are required to take an active part in political study, conscientiously read relevant political books and magazines, closely integrate theory with practice, have the courage to admit and repent their guilt, and speed up their ideological transformation.

**Clause 42.** Prisoners are required to attend political, cultural, and vocational studies on time; observe classroom disciplines; and consciously listen to teachers and take down notes. When they have any questions, prisoners are required to raise their hands; after obtaining permission, they should stand up and ask questions. They should also stand up when they answer their teachers' questions. After class, they should consciously review what they have learned in class and fulfill homework at the assigned time. They should also observe examination disciplines and strive to achieve outstanding results.

**Clause 43.** Prisoners are required to vigorously learn and master production techniques, endeavor to gain professional proficiency, skillfully master the production techniques of their own work posts, and strive to become crackerjacks in production.

**Clause 44.** Prisoners are required to take part in professional and vocational training, try their best to gain proficiency in a particular line, and make good preparation for seeking employment and for taking part in the construction of the four modernizations after their release.

According to internal sources, organs in charge of employment and education management have made the appropriate coordination in recognizing prisoners' qualified records of formal schooling. The two organs have also worked out various regulations on the employment of released prisoners, thus ensuring the implementation of the policy of "giving prisoners a way out."

**Enterprises, Institutions To Have 5-Day Work Week**  
*HK0801123992 Beijing CHINA DAILY in English*  
7 Jan 92 p 3

[By staff reporter: "China May Adopt New Five-Day Workweek"]

[Text] Enterprises and institutions in China are likely to adopt a new work timetable very soon, which will shorten the current six-day working week to five and a half days, a Labour Ministry official disclosed to China Daily.

Furthermore, experts from the China Research Centre for Promoting Science and Technology (CRCPST) pointed out that the working week might be cut by another half day by the year 2000.

Developed countries such as the United States, Japan and France and some developing countries have long made a five-day 40-hour week their normal legal working maximum.

A feasibility investigation group coorganized by the Labour Ministry and the Personnel Ministry has recently completed a trip throughout China and submitted a report in favour of a five and a half-day working week to the central government for approval, the official said.

However, he didn't say when the scheme would be implemented.

CRCPST specialists have long advocated a shorter working week, citing that a 40-hour week, replacing the present 48-hour week, would be in the interests of improving productivity and efficiency, reducing material and power cost, propelling service industries and developing the characters of workers by giving them more leisure time.

China has tried out various methods to cut work hours. Statistics show about 1.9 million workers in large and medium-sized firms across the country are now working fewer than 48 hours a week.

Workers in textile mills and metallurgical plants have two days off after working eight consecutive days; and some chemical factories and oil fields allow their workers to work only six hours a day.

Five-day working week experiments have demonstrated a large increase in output value and profits and an improvement in efficiency and product quality despite the cut in working time.

The Beijing Precision Machine Tool Research Institute has experimented with a shorter working week since 1984. It has recorded marked success, for though working hours have been shortened by 20 percent over the past years, production has gone up nearly fourfold.

The Changchun Locomotive Plant of the Railway Ministry has not only fulfilled its production plan as scheduled but also saved 400,000 yuan (\$74,000) worth of



energy since the pilot five-day working week programme was introduced in the plant last August, the China Business Times reported.

CRCPST experts said that, at present, the bulk of China's industrial firms, government departments and institutions are over-staffed, making it feasible to cut the working week by half a day.

They also pointed out that a shortened work timetable would inspire the mushrooming service trade, because it would give workers more leisure time to educate children and themselves, to entertain and travel.

### **Chen Muhua To Head Marriage, Family Society**

OW0701151692 Beijing XINHUA in English  
1431 GMT 7 Jan 92

[Text] Beijing, January 7 (XINHUA)—Chen Muhua, vice chairman of the National People's Congress, was today elected president of the China Society for the Study of Marriage and the Family (CSFSOMF).

The CSFSOMF, which is engaged in the study of marriage and family problems, drafts related proposals for the country's legislative bodies. Since it was established in 1981, the CSFSOMF has become the most authoritative society in China on the study of marriage and the family.

According to Chen, over the next few years the CSFSOMF will make even greater efforts to investigate problems related to marriage and family, and will provide consultative services, as well as publicize scientific knowledge related to the subjects.

### **State Council Document on Urban Housing Reform**

OW0401015592 Beijing XINHUA Domestic Service  
in Chinese 2116 GMT 30 Dec 91

["Text" of document presented by the State Council's Leading Group for Housing Reform and "recently retransmitted" by the State Council's General Office: "Views About Promoting Full-Scale Housing Reform in Cities and Towns"]

[Text] Beijing, 31 Dec (XINHUA)—To improve housing conditions—a requirement set forth in the "PRC 10-Year Program for National Economic and Social Development and the Outline of the Eighth Five-Year Plan" adopted at the Fourth Session of the Seventh National People's Congress—and proceed with housing reform in cities and towns in a positive and steady manner, the National Conference on Housing Reform, after earnest discussion, has put forth the following views on promoting full-scale housing reform in cities and towns:

#### **I. The Main Goal of Housing Reform in Cities and Towns**

Housing reform in cities and towns is an important part of economic reform. The fundamental purposes are to

alleviate housing problems, continue to improve housing conditions, properly guide consumption, gradually achieve housing commercialization, and develop real estate services. In accordance with requirements for the planned socialist commodity economy, the reform will begin with reforming public housing's low rents through the gradual replacement of public housing, which is provided as a form of welfare service, by means of a wage system based on cash payments. Thus, a resident can acquire the right to own or use living quarters by means of commodity exchange (buying or renting it); living quarters may be sold at the consumer goods market as a special commodity; and a beneficial cycle of having money reinvested in construction of more housing units can be created.

#### **II. Objectives of Housing Reform in Cities and Towns at Various Stages**

1. Objectives during the Eighth Five-Year Plan period. On the basis of replacing the low-rent or rent-free systems, efforts will be made during this period to base public housing rents on three factors essential for housing reconstruction (expenses for maintenance, management, and depreciation). Gradual efforts will be made to increase the percentage of housing expenditures in family income. Focusing on "rebuilding unsafe living quarters" and "alleviating housing congestion," priority will also be given to rebuilding unsafe buildings and solving the housing problems of those whose per capita housing space is below 3-4 square meters (sq m) and those who are homeless, so the per capita living space will reach 7.5 sq m and 40-50 percent of housing units constructed in this period will be complete housing units. Cities that have officially adopted housing reform programs will have established a three-tier housing fund contributed by city authorities, work units, and occupants themselves, and this fund will be rational, permanently established, and managed by rules to ensure that there will be steady funds for housing construction and that a foundation for replacing mechanisms can be laid through the reform.

2. Ten-year objective. By the year 2000, public housing rents will be based on five factors (maintenance expenses, management, depreciation, interest from investment, and real estate taxes); 60-70 percent of living quarters will be complete housing units; per capita living space will have reached 8 sq m; the residents' living conditions and environment will have noticeably improved; the real estate market will be developed; housing loans will be established and their management improved; replacement of mechanisms will be accelerated; and a beneficial cycle of reinvesting construction funds for more housing construction will be initially achieved.

3. Long-term objective. Rents of commercial living quarters will be based on eight factors (in addition to the five mentioned above, there will also be land use charges, insurance, and profits); the percentage of complete sets of living quarters will be substantially increased; each

family will have complete and comfortable living quarters; there will be a sound real estate market and well-managed housing loans; mechanisms governing housing commodities will be replaced; and housing will be commercialized and socialized.

### III. Basic Principles Governing Housing Reform in Cities and Towns

1. The principle of having the burden shared by the state, collectives, and individuals should be upheld. Under the premise of preserving the current avenues of housing construction funds, individuals should take a heavier burden of investment in housing construction.

2. The principle of promoting renting, selling, and building houses will be upheld to bring about a beneficial cycle of raising rent, promoting housing sales, and recouping capital for housing construction.

3. The principle of decentralizing decisionmaking in a way appropriate to local situations under centralized plans will be upheld. While the objectives of housing reform are identical throughout the country, there will be no arbitrary uniformity regarding the steps, methods, and measures taken in housing reform in various localities. Decisions and steps will be made and taken separately in a way appropriate to local situations under unified policies prescribed in relevant documents of the State Council.

4. The principle of replacing mechanisms should be upheld. 1) Efforts should be made to replace the current way of distributing funds. Housing funds, which are now distributed as part of actual pay, should be replaced by a system under which they are allotted for consumption in commodity exchange. Gradual steps should be taken to normalize the use of housing funds so the large amounts of covert subsidies for workers' housing construction and repairing can become part of their overt pay. 2) Construction of housing units, which are now regarded as investment in fixed assets and managed as such, will be handled as investment in commodity production subjected only to guidance. Moreover, housing construction funds should be established on the basis of properly managing the various avenues through which housing construction funds are raised; supplementary reforms should be carried out in terms of fiscal measures, taxes, loans, prices, real estate management, and land use so operating mechanisms that can bring about a beneficial cycle governing the use of housing construction funds can be established. 3) Housing loans and real estate services should be developed through restructuring production patterns and decontrolling the real estate market so the development, construction, management, and housing services of real estate, including housing units, will become part of the cycle of the planned socialist commodity economy.

### IV. Issues Concerning Policies Relevant to Housing Reform in Cities and Towns

Housing reform involves strong, long-term, and broadly involved policies. Policies that have to be reaffirmed and clearly explained are:

1. Issues concerning increasing rents and subsidizing rents. Readjusting public housing rents to make them more rational is the central link of housing reform. In raising rents, attention should be directed to rationalizing the relationship between the rent for and the selling price of living quarters. The frequency of raising rents and how much rent should be increased should be determined with the range of price index control, and the people's tolerance should be taken into consideration. All localities should uphold the principle of "placing more emphasis on rent increases and less on subsidies," and some localities may stop subsidizing rents on the premise of rationalizing rents or increasing rents only moderately. In 1992 and 1993, rents of public housing units will be readjusted according to standardized rates, which are based on at least two factors—or three-five factors in areas that have the means. Meanwhile, all the parameters for calculating rents and subsidies should be integrated with those introduced in late 1990.

2. Issues concerning selling housing units. Selling new and old public housing units to residents is one of the basic measures for commercializing housing units. The selling prices of public housing units must be rational. While we should consider workers' purchasing capabilities, we should not set prices too low. There are two different types of prices for a housing unit: standard price and market price. The standard price is based on its construction cost and compensation for land purchase and relocation of the original residents. At the initial stage, a unit may consider shouldering an appropriate amount of the money needed for purchasing land and relocating the original residents when assessing a housing unit's standard prices in order to encourage workers to purchase their own living quarters. The selling prices of public housing units should be assessed by assessment authorities; verified by departments in charge of state property, real estate, and prices; and then submitted for approval to the people's governments of provinces, autonomous regions, or municipalities directly under the central government where respective units are located. Selling public housing units at excessively low prices is strictly prohibited. Living quarters sold at market prices should primarily be sold to high-income earners, and the prices should be set in accordance with the principle that reflects the state's macroscopic regulation and control. Importance should be attached to lowering housing units' construction prices and to separating the prices from expenses irrelevant to housing construction. Housing units for the settlement of relocated families should be sold to them at rational prices according to the State Council's relevant regulations. The project should be considered as part of housing reform.

3. Issues concerning new regulations governing new housing units. New housing units commissioned for occupancy in 1992 should be handled according to the compensatory principle that these units should be sold first and rented later and that new houses should be rented on the basis of new rates. Their rents should be increased substantially in accordance with the principle of "placing greater emphasis on rent increases, less on subsidies." Specific rules in line with local conditions should be drawn up regarding cash deposits for rents of new housing units or regarding bonds used for purchasing living quarters. As for the funds needed for financing housing coupons needed for new housing transfers, an enterprise may incorporate them into their production costs, and government organizations and institutions may incorporate them into their budgets.

4. Issues concerning housing construction funds. To establish a three-tier housing construction fund shared by urban authorities, individual housing occupants, and their work units, money earmarked for investment in housing construction should be separated from investment in capital construction, and allotments for housing repairs should be permanently budgeted and incorporated with urban housing construction funds. As for enterprises, they should separate their capital for production and funds for housing construction so their housing construction funds can be formally managed. Resources should also be ensured through gradually increasing rents of public housing units, collecting cash deposits for rents, issuing housing bonds, encouraging saving for purchasing housing units, and increasing the percentage of the occupants' share of funds to be invested in housing construction. People's governments at all levels must do a good job in raising and disbursing housing construction funds, and all cities that have adopted housing reform programs must establish their housing construction funds and must manage and use these funds properly and flexibly. Accumulating public funds is an effective form of building up housing funds, and all localities should promote the accumulation of these funds gradually by providing proper guidance in accordance with special local features and economic capabilities.

5. Issues concerning housing loans. Housing loans that can be used collectively in a general way should be established gradually, ensuring that all loans will be repaid and revolved with interest. Mortgages should be properly managed so households' diverse and separate incomes can be pooled for lump-sum housing purchase payments. To expedite capital flow, housing construction units should try to recoup their investment as quickly as possible through selling houses and reinvesting the money in construction of new housing units. In managing housing loans, loans extended according to policy should be differentiated from business loans. Businesses of a policy nature should have their own sources of specialized capital and credit for housing reform. Accounts should be handled independently; businesses should be responsible for their own profits and losses; incomes and expenditures should

be balanced; and taxes should be paid to the local authorities with preferential treatment from the state in terms of planning, credit size, interest rates, and taxes. Financial units handling business loans should give full scope to their initiative and promote credit services for the development of real estate business according to current regulations. They should continue to provide insurance services supporting workers' housing purchasing plans. Areas having housing savings banks should continue to explore services in this field and summarize their experiences.

6. Issues concerning housing investment and construction. Reforming the system governing housing investment and construction consists of replacing the housing investment system monopolized by the state and enterprises with a system under which investment in housing construction is shared by the state, collectives, and individuals. All local governments should strongly support collectives and individuals to raise money for housing construction in a cooperative manner, especially when the money raised is to be spent on rebuilding unsafe housing units and alleviating housing congestion. Departments in charge of planning, credit affairs, fiscal affairs, taxes, urban construction, designing, and land utilization should actively support housing construction and try to lower housing construction costs through adopting such supportive measures as reducing taxes and levies. They should correctly guide and restructure the current system governing real estate development and institute effective government regulatory and control mechanisms governing housing prices. A management system integrating mandatory plans and guidance plans for housing construction should be instituted. With the exception of the mandated housing construction plans, the scales of construction of housing units built with money raised by individuals or through cooperation will not be controlled and will only be subjected to guidance.

7. Issues concerning housing management. All localities may gradually institute socialized management of public housing units through providing gradual and systematic guidance. Enterprises themselves should begin with separating the management of housing units built for workers' use from their previous management under which workers' living quarters were managed along with buildings used for production. The management of these living quarters should now be handled independently and separately. Then, in the form of a trust, the actual management of these living quarters should be consigned to economic entities formed by neighborhoods or by real estate departments of several enterprises.

8. Issues concerning housing ownership. Staff members and workers may purchase publicly owned houses at standard prices if the housing area falls within the standard prescribed by the state. After a publicly owned house is purchased, the buyer owns a property right—the right to possess and use the house—and has limited rights to dispose of the house and to receive benefit from it. In addition, the house may be inherited. Five years after a house is purchased, the buyer may sell it or rent it out, but the original unit that owned the house has



preferential right to buy it back and rent it. After taxes and relevant fees have been deducted, the profit obtained from selling a house shall be distributed among the government, unit, and individual in accordance with the ratio of property ownership. Houses that are partly owned by staff members and workers shall be protected by law if they are used as their own quarters; houses purchased at a standard price shall be restricted by law if they are placed on sale in the market—they are not allowed to be sold or rented out at high prices. In selling publicly owned houses in accordance with the principles regarding a standard price and partial property rights, various localities must take the actual conditions into account and work out a method of managing the property rights of sold housing. They should continue marketing publicly owned houses.

9. Issues concerning real estate markets. In the process of advancing real estate markets, it is necessary to strengthen legislation and enact laws and regulations to bring real estate markets within the scope of law. While an exchange market for passing on information, promoting transactions, and assisting in supplying mutual needs should be established, it is also necessary to be strict with transaction procedures and dealers' qualifications and to crack down on illegal profiteering. It is necessary to do a good job in appraising and regulating the prices of real estate; protect legitimate income; regulate excessive income; take action against illegal income; and form a real estate market where renting, selling, exchanging, and mortgaging can be controlled and regulated.

10. Issues concerning the relationship between different departments and regions and between a unit and an entire area. While the central authorities and the various departments of the State Council should actively support enterprises and institutions under their jurisdiction to carry out housing reform, local governments should also take into account the characteristics of various departments. Localities and units where experiments are being carried out should continue to take the lead in reform in order to explore experiences. In dealing with the spread of overlapping problem in providing subsidies for raised rent in different cities, counties, and units, it is necessary to uphold the principle of making those that lag behind in reform support those that have made progress in reform.

11. Issues concerning tax deductions and exemptions and subsidies in housing reform. In the course of the reform of the housing system, the policy concerning tax deductions and exemptions and subsidies should be implemented within a period of time in order to help low-income staff members and workers, retired staff members and workers, people determined by government and civil affairs departments as needing assistance, and unemployed people who need special care. All localities must strictly control the scope of tax deductions and exemptions and subsidies.

12. Government office cadres should participate in housing reform under a unified policy and should personally set a good example.

#### **V. General Plan for Urban Housing Reform in the Next Two Years**

Various provinces, autonomous regions, and municipalities directly under the central government should follow the requirements by the party Central Committee and the State Council that "housing reform should be vigorously promoted" and that "housing reform should proceed steadily under guidance and a unified plan in light of local conditions" during the Eighth Five-Year Plan period; follow the unified objective of housing reform, unified policy, and basic principles for housing reform; proceed from reality; work out a practical general housing reform plan; select the method of commencing housing reform that suits local conditions; and seize the opportunity and carry out housing reform in stages and in groups in the next two years according to plan.

It is suggested that municipalities directly under the central government, provincial capitals (autonomous regional capitals), coastal cities, and other cities and towns with the necessary conditions should take the lead and enter a stage of all-around and coordinated housing reform before the end of 1992. Other cities and towns, if conditions permit, should strive to begin housing reform before the end of 1992.

Cities, towns, enterprises, and institutions that have been carrying out housing reform on an experimental basis should continue to advance housing reform in accordance with the established policy, principles, and measures.

The housing reform plans of provinces, autonomous regions, and municipalities directly under the central government shall be implemented after they are examined and approved by the State Council's Leading Group for the Reform of the Housing System in cooperation with the relevant departments.

#### **VI. Strengthening Leadership Over Urban Housing Reform**

Launching housing reform in an all-around way is a difficult and meticulous task directly involving the vital interests of the masses. People's governments at all levels should attach special importance to and strengthen leadership over this task. Leading comrades should attend to this task personally to gain direct experiences.

It is necessary to carry out publicity and education among the masses to explain to them the housing reform policy, method, and measures and the difficulties and problems that have emerged in the course of reform. It is also necessary to sincerely heed the opinions of the masses and learn from their wisdom.

To advance reform of the housing system, we must correctly handle the relationship between the partial and

overall interests and between the immediate and long-term interests, correctly handle the relationship between reform and stability, and include housing reform in the economic structural reform as a whole. Housing reform should proceed under a unified plan in coordination with enterprise, wage, and price reform and with reform of the system of macroeconomic regulation and control. At the same time, it is necessary to enact corresponding laws and regulations so housing reform can proceed on the basis of law.

Strong leadership and necessary manpower are needed to carry out housing reform. Therefore, it is necessary to draw up good plans and arrangements for the training of cadres.

Propaganda departments at all levels should vigorously and accurately publicize the housing reform policy and guide the masses to participate in and support housing reform. Once housing reform has begun, it should be properly expanded and accelerated. It is necessary to constantly sum up experiences in order to ensure the smooth progress of housing reform.

#### **Colleges To Enroll HK, Macao, Taiwan Students**

*OW0801084792 Beijing XINHUA in English  
0721 GMT 8 Jan 92*

[Text] Beijing, January 8 (XINHUA)—Universities and colleges on the Chinese Mainland will begin to enroll postgraduates from Hong Kong, Macao and Taiwan for master's and doctorate degrees in the 1992 academic year.

According to the OVERSEAS EDITION of today's "PEOPLE'S DAILY" [RENMIN RIBAO], registration for the entrance examinations is under way from January 3 to 31 in Guangzhou and Hong Kong.

The universities and colleges will admit postgraduates who will be supported at public expense within the state plan, as will Hong Kong students who are awarded "special scholarships," and Hong Kong, Macao and Taiwan people who are working in the mainland.

The students who want to apply for master's degree programs are required to have bachelor's degrees and to be under the age of 35, while the students for doctorate degree must be under 40 years old.

The entrance examination will be held April 4-5, 1992.

#### **Science & Technology**

##### **Nuclear Scientist Missing at Sichuan Tourist Spot**

*OW1501132392 Shanghai JIEFANG RIBAO in Chinese  
3 Jan 92 p 3*

[Article by JIEFANG RIBAO reporter Ling Feng (0407 7364): "Hua Tianqiang Mysteriously Disappears in Emei Shan—Still Missing After More Than Two Months of Search"; JIEFANG RIBAO headline]

[Text] A report from Emei Shan in Sichuan in October 1991—Hua Tianqiang, a senior engineer of a research institute in Shanghai under the Chinese Academy of Sciences, suddenly disappeared during a sightseeing tour in Emei Shan, and he is still missing after more than two months of careful searching.

##### **Disappearance at Wannian Temple**

Hua Tianqiang went to attend a meeting in Chengdu in mid-October of last year. After the meeting concluded, he joined a sightseeing tour organized by the meeting organizer to Emei Shan. After arriving at Wannian Temple at about 1000 on 15 October, the tour group was dismissed and its members went sightseeing by themselves. According to a preset schedule, the route of the tour started at Wannian Temple and ended at Wuxian Hill by way of Qingying Temple (including nearby Yixiantian). The organizer of the tour told all members of the group to be sure to arrive at a parking lot by Wuxian Hill by 1700. After wandering in Wannian Temple for about half an hour, Hua Tianqiang parted company with other members of the group and walked toward Qingying Temple alone.

At 1700 that afternoon, Hua Tianqiang did not turn up at the parking lot of Wuxian Hill at the scheduled time. After waiting for him for 30 minutes, other members of the group thought that he had cut short his tour and gone back to the hostel by public bus. After the group returned to the hostel in the evening, they did not see Hua Tianqiang either. So, they thought that he must have straggled and missed the tour bus. Someone knew that he had an elder brother working in Chengdu, and thought that he might have gone to visit his brother there by express bus. After the group returned to Chengdu the next day, they found that he did not visit his brother. The Emei Shan Public Security Sub-Bureau received the missing person report on the afternoon of 18 October.

Hua Tianqiang's disappearance immediately aroused the attention of the departments concerned. After receiving orders to search for Hua Tianqiang on the evening of 18 October, all local police substations and public security offices immediately started searching overnight by investigating and visiting the 106 hotels and inns in all suspected areas, examined 252 hotel guest registers, and checked the names of 2,267 hotel guests who registered since 15 October. However, the search yielded no results.

##### **A Small Eatery Near Huideng Temple**

On the morning of 19 October, the deputy head of the security section of a Chengdu science and technology organization, Hua Tianqiang's assistants, and his relatives from Chengdu searched the mountain route which Hua Tianqiang was supposed to have used. They learned that there is another small trail between Qingying Temple and the hostel, with several temples and scenic spots on it. The trail of course became a major target area in the search. According to several local peasants in the vicinity of Shenshui Pavilion, someone bearing a resemblance to Hua Tianqiang

had been seen going down the hill, walking in the direction of Fuhu Temple several days ago. A young woman running a small eatery near Huideng Temple along the trail ahead furnished an even more valuable clue: At noon on the 16th or the 17th, a man in his fifties or sixties who appeared to be an intellectual walked past her eatery, and his clothes and appearance were very close to those of Hua Tianqiang. She chatted with him and was told that he came from Shanghai and had a cold. The searchers showed her Hua Tianqiang's ID card which he left in the hostel. After seeing the picture on the ID card, she said affirmatively: "It was him."

With such an important clue, the police and the members of local joint-defense teams immediately joined the other searchers in returning to Huideng Temple, and searched the area surrounding the eatery. It was 1800, getting dark and raining, and the mountain trails were slippery. The searchers climbed down the cliff despite the difficulties, but they found nothing in the area, except an abandoned bamboo walking stick on the edge of Gefengtai Cliff about 200 meters from the eatery.

On the next day, the director of the Emei Shan public security subbureau led the search party back to Gefengtai. The mountain trails are rugged, and there are no paths leading down the 1,000-foot-deep ravine. So, 13 of the 15 members of the search party were broken down into three small groups, climbed down the ravine with the help of ropes, and searched a steep slope more than 300 meters long. One half day elapsed, but the message on the radio remained the same: "Nothing found."

#### **Cries for Help at Daping Shan**

After 48 hours of tension, no trace of Hua Tianqiang could be found. On 20 October, while renewed efforts were made in the search along the trail between Wannian Temple and Qingyin Temple where Hua must have passed through, flyers describing the missing person were hurriedly printed and posted everywhere in the mountain. On the early morning of 22 October, two members of the Wuxiangang Public Security Joint Defense Team rushed to the public security sub-bureau. According to them, two laborers carrying a litter up the mountain reported that while passing through Hongchunping on 21 October, they heard an old medicinal herb peddler say that he had heard someone crying for help on the Daping Shan, which is separated from the mountain with a deep valley, from the night of 16 October to the morning of 17 October, and that the cries, after being repeated several times, gradually faded away.

Upon receiving the latest clue, leaders of the sub-bureau promptly decided to climb Daping Shan.

Daping Shan is an isolated steep mountain towering majestically over two tourist trails some 1,700 meters above sea level. Winter snow scenery atop the mountain is especially magnificent. However, because the temples have been neglected and become dilapidated, no tourist has set foot on the mountain for many years. The original narrow trails for mountain climbers have disappeared into primeval forests, and the entire mountain has become the home of bear, wild boars, pythons, and

poisonous snakes. Legends passed on by elders have it that a more terrible thing on this mountain is a kind of magic grass called "bewitching grass." Upon touching the grass, people will immediately fall in a trance and cannot find their way back.

All of this did not stop the searchers. After lunch, a seven-member search team and the police dog "Black Jack" began to climb the mountain with a guide escorting them. After two hours of climbing, the team members arrived at the ruins of the former Jingtuchan Temple. It was all wilderness. What came into their view were rocks, smashed tiles, broken tablets, and remnants of tombstones. Only the spoor of animals would remind people of others' existence. The search team combed through the ruins while "Black Jack" brought his talent into full play, but nothing was ever discovered. It is absolutely impossible that Hua Tianqiang would set foot in this perilous and uninhabited land alone.

#### **The Legend of Biandan Rock**

In the wake of the fruitless search on Daping Shan, the team members could do nothing but rack their brains to find other clues: Since Hongchunping is surrounded by high mountains and deep valleys, could it be possible that the cries for help came from somewhere along the valley and that the old medicinal herb paddler misjudged the direction? According to a test at the site, it is impossible to hear at Hongchunping any voice from Daping Shan. Meanwhile, a clue provided by a small eatery owner attracted the team members' attention: At about 1000 on 17 October, a Hua Tianqiang look-alike, who said he came down the mountain at Hongchunping, stopped by the eatery to have snacks. Another peddler also reported a similar story. Hence, one can deduce the possibility of Hua Tianqiang having been to Hongchunping or to an even more distant place cannot be ruled out.

On 24 October, the sub-bureau director again led a team from Qingyin Temple on a search to Hongchunping by both land and water routes, focusing attention on Biandan Rock, a place where accidents have frequently occurred.

Biandan Rock, a place well known to everyone at Emei Shan, is noted for being a haunt for monkeys and a hazardous section of the Emei tourist trails. Cute and mischievous monkeys often play pranks on tourists. Last March two foreigners toured the mountain together. One of the foreigners, while trying to take pictures from the edge of a rock, inadvertently stepped on soft soil and fell off the rock, rolling down the slope together with his bag.

If Hua Tianqiang had ever been to Hongchunping, Biandan Rock should be the most accident-prone spot. However, after a meticulous search, nothing was found. Unyielding, members of the team rappelled down the 400-meter-deep valley. What awaited them there were disappointments ....

#### **People Are Still Waiting**

By 26 October, the search for Hua Tianqiang had been conducted for eight days and nights, covering a total area



of more than 250 square km and a journey of 500 km. At the onset of each trip, the team members were filled with hope and expectation; however, on the return, their steps were heavy and still more their hearts ....

Over the past two months, all people who are close to Hua Tianqiang never had an easy-going day. Once a clue is reported, it is immediately relayed to the relevant department in the hope that the clue might help the search in even a small way. People are still waiting for news about Hua Tianqiang.

### Kidnapping Not Ruled Out

HK1501050592 Hong Kong MING PAO in Chinese  
14 Jan 92 p 2

["Special Article" by special correspondent Pai Chu (4101 4554): "Nuclear Expert Hua Tianqiang Suddenly Disappears, Mainland China Does Not Rule Out Possibility of Being Kidnapped by Outsiders"]

[Text] Mainland China's well-known nuclear expert Hua Tianqiang suddenly disappeared during his sightseeing tour in Sichuan Province three months ago. His whereabouts are still unknown to this day. Because Hua Tianqiang knows many state secrets about the study of the atomic nucleus, his disappearance has aroused the concern of China's hierarchy. China's public security and state security organs have organized special persons to search the Emei Shan. This search has been going on for nearly three months without avail, and it has been learned that the search is still continuing.

### Searching the Emei Shan for Three Months Without Avail

This is another mysterious case concerning the disappearance of a Chinese scientist, following the first in which a well-known Chinese geologist Peng Jiamu strangely disappeared in Luobubo, Xinjing, in 1978. It has been reported that relevant investigation organs do not rule out the possibility that Hua Tianqiang has been "kidnapped" by certain "overseas hostile forces."

Hua Tianqiang is the director of the Information Office of the Shanghai Institute of Atomic Nucleus under the Chinese Academy of Sciences. Relevant sources have disclosed that Hua Tianqiang went to attend a meeting in Chengdu in mid-October last year. After the meeting concluded, he joined a sightseeing tour to the Emei Shan. After arriving at Wannian Temple at about 1000 on 15 October, the tour group was dismissed and its members went sightseeing by themselves. According to a preset schedule, the route of the tour started from Wannian Temple and ended at Wuxian Hill by way of Qingying Temple and Yixiantian. The organizer of the tour told all members of the group to be sure to arrive at a parking lot of Wuxian Hill by 1700. After wandering in Wannian Temple for about half an hour, Hua Tianqiang parted company with other members of the group and walked toward Qingying Temple alone. At 1700 that afternoon,

Hua Tianqiang did not turn up at the parking lot of Wuxian Hill at the scheduled time and has vanished without a trace since then.

### Barren Hill Abounds in "Bewitching Grass"

The Emei Shan public security sub-bureau received a report on the disappearance of Hua Tianqiang on the afternoon of 18 October. All local police substations and public security offices immediately started searching overnight by investigating and visiting the more than 100 hotels and inns in all suspected areas. However, the search yielded no results.

Investigations show that on the day that Hua went missing, someone bearing a resemblance to Hua Tianqiang was seen going down the hill along a narrow trail near Qingying Temple, walking in the direction of Fuhu Temple, and finally reaching Huideng Temple. An old man who sold medicinal herbs even claimed that he heard someone repeatedly crying for help on the Daping Shan from the night of 16 October to the morning of 17 October. The Daping Shan is an isolated steep hill with dilapidated temples, which has not had any appeal to tourists for many years. The original narrow trails for mountain climbers have already disappeared in primeval forests, and the entire hill has become the home of bears, wild boars, huge boas, and poisonous snakes. Legends passed on by elders have it that a more terrible thing in this hill is one kind of magic grass named "bewitching grass." Upon touching this kind of grass, people will immediately fall in a trance and cannot find their way back.

### The Search Is Still Going On

Although they have searched this area for many days, police can see no trace of Hua Tianqiang. Some people believe that he died in an accident.

However, upon analyzing the case, others believe that Hua Tianqiang may still be alive, and they do not rule out the possibility that he has gone to even more remote places. Biantan Rock is a well-known perilous hill and also the haunt of monkeys, which often play pranks on sightseers.

The search for Hua Tianqiang is still going on today. People from relevant organs have searched an area with a circumference of more than 250 km and a length as long as several hundred km. However, no comforting news has been heard so far.

### Zou Jinhua on Support for Geological Surveyors

OW1501224292 Beijing XINHUA Domestic Service  
in Chinese 1248 GMT 15 Jan 92

[By reporter Zhu Youdi (2612 1635 2769)]

[Text] Beijing, 15 Jan (XINHUA)—Speaking yesterday at the opening session of a national conference on geology and mineral resources, Zou Jiahua, vice premier of the State Council, said that geological surveys are preparatory steps in national economic construction. They are usually conducted as indispensable groundwork in the development of



agriculture, basic industries, infrastructure, and urban and rural construction. In accordance with the requirements outlined in the 10-Year Program and the "Eighth Five-Year Plan" for National Economic and Social Development, we should make earnest efforts to strengthen geological surveys so that they will keep pace with the development of agriculture, basic industries, and urban and rural construction.

Zou Jiahua said that geological surveyors in our country are a good contingent that is politically reliable, tough, and capable of waging arduous struggles and enduring hardships. They are indeed pioneers in the socialist modernization drive. The party and the state will always keep their feats in mind, and people of all nationalities throughout the country will be forever grateful to them for their toil. On behalf of the State Council, Zou Jiahua extended his best wishes to the millions of geological surveyors and their families.

Zou Jiahua said emphatically that the nation's geological prospecting sector must keep to the principle of locating mineral resources through geological surveys. It should search for mineral deposits in new mining areas and around old mines in accordance with the principle of "ensuring basic surveys, strengthening general surveys, conducting detailed surveys of promising areas, and alternating survey sites". It should further reassign geological survey tasks in accordance with the principle of "giving consideration to both coastal and inland areas and intensifying prospecting in the west". Currently, it is essential to improve basic and general surveys, to make earnest efforts in devising current and future survey plans, to prospect for minerals badly needed for economic development, and to strive for new significant breakthroughs in locating mineral resources through geological surveys.

Speaking on ways to solve the acute shortage of input in geological surveys, Zou Jiahua said that the fundamental solution is to deepen reforms in an effort to shatter the practice of "eating from the same big pot" in utilizing and mining the state's mineral resources. This can be accomplished by charging for the use of survey findings and the exploration of mineral resources. It will help institute a sound input-output cycle in geological surveys. We should further develop the concept that mineral resources are owned by the state and should preserve and conserve those resources. Economic development and population growth have aggravated the shortage of mineral resources. The long-standing practice of gratuitous mining has expedited the consumption of mineral resources and led to serious waste. We should pay attention to this problem.

Zou Jiahua said that in the future, in carrying out geological surveys, we should adhere to the principle of "walking on two legs," one being the center and the other being the localities. The central government will gradually increase its financial input to support geological surveys that are beneficial to the public as well as general surveys that involve high risk. We should encourage localities, departments, enterprises, and institutions to open multiple funding channels, gradually set up a new

geological survey system that is suitable for the planned commodity economy, consolidate the results of recent years in improving geological prospecting order, further invigorate geological survey institutes, and improve our ability to sustain development in geological prospecting. Workers on the geological prospecting front endure all kinds of hardships associated with fieldwork, and their living and working conditions are quite harsh. Hence, all relevant units must conscientiously build up logistics bases and try their best to improve the living and working conditions of frontline workers.

Zhu Xun, minister of geology and mineral resources, spoke at the conference.

Representatives of geological survey teams from departments of geology and mineral resources, petroleum, coal, metallurgy, nonferrous metals, building materials, chemical industry, and gold industry attended the conference.

#### Deng's Daughter Outlines S&T Development Plan

OW1401133092 Beijing XINHUA in English  
1311 GMT 14 Jan 92

[Text] Beijing, January 14 (XINHUA)—China will pay special attention to scientific research as regards birth control, environmental protection and exploitation of resources and energy up until the end of this century, a Chinese official said here today.

Addressing the inaugural session of "the Research Society for China's Social Development," Deng Nan, vice minister of the State Commission for Science and Technology, outlined China's scientific and technological program for its social development in the 1990s.

"In order to build harmony between man and nature," Deng said, "Chinese scientists will study the impact of global changes on China, and develop new technologies for the rational exploitation of natural resources, control of environmental pollution and ecological protection."

"New methods, measures and technologies for studying, predicting and fighting natural disasters are to be developed," she added.

Deng urged Chinese scientists to develop new technologies for improving the infrastructure of the urban areas, and modernizing public security and labor protection.

She called on medical scientists to find new contraceptive methods and birth control techniques as well as developing new medicines and medical equipment.

Under this development program, a number of new industries covering the environment, medicine and real estate, among others, will come into being, according to her.

"Progress in technology, design, construction, management and consultation as regards modern apartment buildings will promote the development of real estate in China," she noted.

In order to fulfill this development strategy," she said, "China must keep to its line of reform and opening to the outside world, seek a balance between man and nature, and improve material living conditions."

### 'No Reasons for Optimism'

HK1501053092 Hong Kong SOUTH CHINA  
MORNING POST in English 8 Jan 92 p 12

[By Chris Yeung]

[Text] The daughter of patriarch leader Mr Deng Xiaoping yesterday painted a gloomy picture of the present situation in China, calling for greater reliance on science and technology to upgrade the lives of the country's 1.13 billion people.

Ms Deng Nan, vice-chairman of the State Science Commission, said there were no reasons for optimism over the state of the country.

She pointed out the average education of people remained lower than primary level and a surplus workforce in the countryside of between 150 million and 200 million needed to be provided with jobs in other sectors.

Other unfavourable factors included the continued high growth of population, worsening environmental pollution and ecological damage, and the high frequency of natural disasters, the scientist noted.

"The immediate task is to insist on the open policy and fully implement the guiding principle of putting emphasis on the people.

"We have to fully utilise the advantages of scientific and technological development to promote the harmonious development of the economy and society and to improve the quality of life and the people," she said.

Ms Deng was speaking at the launching of an academic group for scientific study on social development.

The group will conduct studies and assist government departments in scientific and technological work.

It will also help with development of new industries.

Ms Deng has indicated as one of the major tasks in the 1990s the comprehensive exploration of natural resources and precautions against disasters.

### Economic & Agricultural

#### Song Ping Inspects Agricultural Sciences Academy

OW1301173392 Beijing XINHUA in English  
1551 GMT 13 Jan 92

[Text] Beijing, January 13 (XINHUA)—Chinese senior official Song Ping has called for greater attention to the development and application of agricultural science and technology since they are crucial to the future of the country's agriculture.

Song, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, made the remarks last Saturday during an inspection tour of the Chinese Academy of Agricultural Sciences in Beijing.

Song noted that the academy has recorded numerous remarkable achievements over the past decades, and that the institution is a key force in the country's agricultural scientific and technological research.

According to Song, China should reform its agricultural research system according to present circumstances, and should avoid wasting limited financial and material resources. Song suggested special funds be set aside for agricultural research.

During the inspection tour, Song visited various research departments and held talks with scientists and experts.

#### Tian Jiyun, Zou Jiahua Directive for Grain Forum

OW0901042292 Beijing XINHUA Domestic Service  
in Chinese 1639 GMT 8 Jan 92

[By reporter Yu Zhenhai (0060 2182 3189)]

[Text] Taiyuan, 8 Jan (XINHUA)—A national forum on grain supply to disaster areas ended in Taiyuan today. The Ministry of Commerce urged grain departments in disaster-stricken provinces and autonomous regions to continue to perform a good and thorough job in supplying grain to disaster areas.

The forum relayed a directive from State Council Vice Premiers Tian Jiyun and Zou Jiahua on grain supply to disaster areas. Tian Jiyun and Zou Jiahua asked grain departments to work incessantly and unremittingly to secure grain and to continue to improve the grain supply to disaster areas. They asserted the need to improve the grain supply during the Spring Festival to enable the people in northern disaster areas to eat dumplings during the Spring Festival, those in southern disaster areas to eat rice balls in celebration of New Year's, and the vast numbers of people in all disaster areas to have a happy Spring Festival.

Information disclosed at the forum on situations in disaster-stricken provinces and autonomous regions nationwide indicates miraculous results in disaster relief operations during the devastating natural disaster that hit our country last year—results in taking good care of the people in disaster areas, in keeping market grain prices stable, and in calming the general public.

According to statistics compiled by 14 provinces and autonomous regions, the disaster put 130 million people throughout the country in need of grain in excess of 9 billion kg from the state. After such a huge disaster, the party Central Committee and the State Council expressed great concern over the supply of grain to disaster areas. With the State Council's approval, the Ministry of Commerce and the State Grain Reserve

Administration swiftly transferred 4.43 billion kg of grain in state reserves to disaster areas over the past several months. Coupled with relief grain secured independently by various localities, this brought the total quantity of grain allocated to disaster areas to more than 5 billion kg.

Grain prices fell in some disaster areas across the country following the disaster, although they generally remained at stable levels. According to grain prices quoted by 245 markets at the grass-roots level, the price of six categories of grain—including rice, wheat, and corn—averaged 0.855 yuan per kg in the first 10 days of last November, down 0.23 percent from 0.857 yuan during the corresponding period a year ago.

Fourteen disaster-stricken provinces and autonomous regions throughout the country adopted measures—such as relief programs, resale of grain to growing areas, sale of grain at negotiated prices, reduction of state grain purchases to promote sales on the open market, and relief-oriented job programs—to ensure that disaster victims will be able to buy and eat grain. Anhui Province, which bore the brunt of the disaster, secured 2.5 billion kg of relief grain by the end of last December. Serious disaster victims suffering complete or grave crop failures in flood discharge and storage zones, areas with breached dikes, and waterlogged areas were allowed to receive free grain on a monthly basis.

At the forum, Vice Commerce Minister Bai Meiqing asked grain departments at all levels in disaster areas to correctly assess and analyze the distinctive situations in disaster areas, to exercise stronger leadership, and to work incessantly to secure grain. He also urged them to fully assess the arduousness of disaster relief operations to be launched for a certain period in the future. In light of the ability of some disaster areas to reap bumper harvests in spite of disaster damage, the uneven distribution of grain in those areas causing grain surpluses in some places and shortages in others, and the difficulty encountered by those areas in selling and buying grain, he asked grain departments to vary approaches with respect to different areas and to adopt appropriate measures to ensure grain supply to disaster areas. He stressed that misappropriation and illegal retention of grain set aside for relief and resale is strictly forbidden. Misdeeds in this respect must be dealt with severely. All measures should be taken to ensure the grain supply to the people in disaster areas during the Spring Festival.

The forum was convened by the Ministry of Commerce and attended by responsible persons from the Ministry of Commerce, the Ministry of Civil Affairs, and grain departments in 14 provinces and autonomous regions in the country.

#### Tian Jiyun at National Forestry Conference

OW1001051092 Beijing XINHUA Domestic Service  
in Chinese 1005 GMT 9 Jan 92

[By RENMIN RIBAO reporter Gao Baosheng (7559 0202 3932) and XINHUA reporter Zhang Jianjun (1728 1696 6511)]

[Text] Beijing, 9 Jan (XINHUA)—Vice Premier Tian Jiyun of the State Council pointed out today at a national conference of forestry department and bureau directors that we should fully understand the relationship between agriculture, forestry, and water resources, which are interdependent and promote one another. Agriculture is the foundation, irrigation is the lifeblood of agriculture, and forests are protective screens. Developing forestry means building ecological protective screens for ensuring high and stable yields in agriculture and animal husbandry, and for ensuring the efficiency of water conservancy facilities. This is also an important way to readjust the structure of rural production, to encourage maintaining areas in order to free themselves from poverty and become better off, and to increase our ability to steadily develop agriculture.

At the national conference of forestry department and bureau directors which ended today, the Forestry Ministry presented "Outstanding Tree-Planting Achievement Awards," "Excellent-Quality Tree-Planting Awards," or "Achievement Awards for Control of Consumption of Forest Resources" to Guangdong, Hunan, Guangxi, and other provinces, municipalities, and autonomous regions. The ministry also commended a number of advanced units and individuals for developing forestry. Tian Jiyun and Chen Junsheng presented certificates of merit and cups to representatives of the award winners.

Vice Premier Tian Jiyun said at the conference that all localities should clearly understand the significance of forestry development and should link the development of forestry with agricultural development and the construction of water conservancy projects. It is necessary to persist in making comprehensive agricultural development; to tackle problems concerning mountains, rivers, farmland, forests, and roads in a comprehensive manner; and to develop agriculture, forestry, animal husbandry, sideline production, and fishery in an all-round manner. While carrying out the construction of water conservancy projects, persistent efforts should be made to tackle problems concerning mountains, rivers, farmland, forests, and roads in a comprehensive way; also, engineering measures should be combined with biological measures in order to give full play to the role of forests as ecological protective screens. He stressed: Only by gaining a comprehensive understanding of the economic, ecological, and social benefits of forestry and its status and role will we be able to adopt measures to vigorously support the development of forestry in various ways and contribute to the development of the



national economy as a whole as well as to the improvement of the ecological environment.

On the new situation in which the "deficit" in our forest resources is eliminated, Tian Jiyun said that this is an amazing achievement. However, it should be noted that this is only a beginning. The development of forestry is uneven in various localities, there are still weak links in this work, and the current state of forestry is still far from meeting the requirements for the development of the national economy and the improvement of the ecological environment. The tasks in the development of forestry are still very arduous.

At the national conference of forestry department and bureau directors, the Forestry Ministry put forward a whole set of new and specific measures to "build green protective screens and do a good job in developing forestry," which will further increase forest resources and the overall benefits of forestry in our country.

#### Article Analyzes Foreign Investment Trends

HK1301082592 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 25 Dec 91 p 3

[By staff reporter Cao Ruitian (2580 3843 1131): "Characteristics and Trend of Current Absorption of Foreign Capital"]

[Text] Reform and opening up will bid farewell to the second Year of the Ram. China's absorption of foreign capital has reached a certain scale. This reporter learned from the optimistic remarks of Tong Yizhong, deputy director of the Foreign Capital Section under the Ministry of Foreign Economic Relations and Trade, that there have been new breakthroughs in this year's foreign investments, that approval has been given to almost 10,000 projects, and that negotiated foreign capital has amounted to more than \$10 billion. This reporter would like to find out about the characteristics and trend of the absorption of foreign capital.

#### Open Regions Are Expanding, Foreign Investments Are Shifting to the North

In 1979, the state exercised special policies in Guangdong and Fujian Provinces; in 1980, the Shenzhen, Zhuhai, Shantou, and Xiamen Special Economic Zones were set up; in 1982, a special policy was introduced to Hainan island; in 1984, 14 port cities from Dalian City in the north to Beihai City in the south were opened along with the establishment of economic and technological development zones; in 1985, the Chang Jiang, Zhu Jiang, and southern Fujian deltas were opened; and in 1988, the Hainan Special Economic Zone was set up. Now all the eastern coastal areas have been opened, thus forming a foreign investment belt from the south to the north.

In the 1990's, the Pudong area covering 350 square km in Shanghai has been cited as a new development zone practicing such special policies as in economic and

technological development zones and special economic zones. It will become an economic, information, trade, and financial center of the country and stimulate the development of export-oriented economies in the middle and lower reaches of the Chang Jiang. This indicates that a new foreign investment belt will take shape from east to west China.

Following the expansion of open regions, foreign investments will continue to flood in. Subsequent to the good results in the utilization of foreign capital in the four special economic zones as well as in Guangdong and Fujian, economic and technological development zones have reached a certain scale in recent years. Some have become saturated and are beginning to expand to the surrounding areas, speeding up the utilization of foreign capital by township and town enterprises in these areas. For example, in Dalian City, county- and township-level foreign-invested enterprises, city-level foreign-invested enterprises, and development-zone-level foreign-invested enterprises each account for one-third of the foreign-invested enterprises in the city; the projects run by foreign-invested enterprises on Tianjin outskirts account for half of the city's new projects; newly approved enterprises in Shandong's towns and townships account for 60 percent of the total; township and town enterprises in the Zhu Jiang, Chang Jiang, and southern Fujian deltas are using considerable amounts of foreign capital.

From this we understand that foreign investments are shifting and expanding to the north.

#### The Orientation of Foreign Investments Is Becoming Rationalized and There Are More Investment Forms

As a result of control over restrictive and nonproductive projects in recent years, productive projects have accounted for 85 percent of the total projects. From 1979 to 1989, the amount of negotiated foreign capital for industrial projects accounted for 58.5 percent of the total, but this rose to 84.4 percent last year, whereas the amount for commercial service, public facilities, and hotels dropped from 26.4 percent to 8.5 percent. This year the percentage of industrial projects has increased.

In addition, enterprises possessing advanced technology and producing export commodities have increased to 4,300, accounting for one-fourth of the foreign-invested enterprises that have gone into production. Foreign investors are very interested in developing large areas of land, and there is a fever for real estate business. Some coastal cities and special economic zones allow the establishment of joint-venture or foreign-invested financial firms. Shanghai's Pudong development zone allows foreign investors to run commodities retail undertakings. Bonded areas allow foreign trading firms to engage in reexport trade. Bonded areas have been built in Shenzhen, Tianjin, and Shanghai.

Investments proceed in various forms and a flexible manner. Foreign investors welcome this. In the beginning of 1980's, cooperative economic enterprises

accounted for the largest percentage; in the middle of the 1980's, joint ventures played a leading role; in 1989, the number of wholly-owned foreign-invested enterprises began to increase, and it outstripped the number of cooperative enterprises last year. However, in the first half of this year, joint ventures developed fast due to an increase in foreign capital used to transform old enterprises, thus giving rise to various investment forms. Now the ratio between joint ventures, cooperative enterprises, and wholly-owned foreign-invested enterprises is 4:2:1. Some large transnational firms are beginning to set up investment companies. They are beginning to build relevant enterprises in China and are shifting their scattered investments to coordinated development of enterprises. There are more Sino-foreign joint-venture leasing companies. China has so far approved the commencement of 27 such companies, with \$2.4 billion raised for operational purposes. Shareholding joint ventures are being run in Shanghai and Shenzhen on a trial basis, turning some foreign-invested companies limited into shareholding firms with limited liabilities.

#### **Investment Results Have Improved and Investment Environment Has Become Better**

Generally speaking, foreign-invested enterprises have produced good economic results and most of them have made profits. The number of loss-incurring foreign-invested enterprises is reducing. Some of them have expanded their investments after making profits. Their exports have increased. Their foreign exchange balance has basically been solved. Through foreign exchange regulatory departments, foreign-invested enterprises transferred a net foreign exchange amount of \$1 billion out of the country last year and \$500 million in the first half of this year. Social benefit brought about by these enterprises finds expression in providing job opportunities for about 2 million people and in enabling some domestic enterprises to take on an export-oriented nature. The percentage of output value of foreign-invested enterprises in coastal areas has increased. Some of their products and technology have helped solve the shortage of such products and technology.

Facilities in coastal areas are basically coordinated and have produced results. A number of airports, sea ports, highways, telecommunications centers, electric power stations, and hotels have gone into operation. The difficulties in "coming in and going out" for foreign investors have been alleviated. Conditions are being improved to enhance work efficiency. For example, localities have more rights to approve projects; permanent organizations have been set up in some provinces and cities, such as foreign capital work committees, foreign capital management bureaus, and foreign capital service centers. This has shortened projects' approval time. Material supply departments have set up 70 material supply companies in the country to provide service for foreign-invested enterprises, to provide materials for enterprises at rational prices, and to open meetings on material supply for foreign-invested enterprises. There are other

organizations in provinces and cities, such as foreign-invested enterprises' associations, lawyers' offices, accountants' offices, advisory companies, foreign exchange regulatory centers, and personnel exchange centers.

During the Eighth Five-Year Plan and the 10-Year program, foreign capital even plays a more important role in national economic development. Whether or not foreign capital can be used efficiently has become the work focus in absorbing foreign capital. Apart from viewing our national conditions and national strength, such as our ability to exercise macroeconomic control, to coordinate funds, raw materials, as well as energy and communications facilities, we should also judge whether our investment environment is appealing to foreign investors. There are some problems in our investment environment, but there are also strong points, such as political stability, sustained economic development, social tranquility, persistence in the policy of reform and opening up, the establishment of legal provisions for foreign capital, adequate and cheap labor force, and the deepening of economic structural reform.

In the course of practicing the planned socialist commodity economy, China is improving its market system. It will further improve the consumption materials market, expand the production materials market, and develop the capital, information, technology, real estate, and labor service markets. The establishment of these markets will unquestionably provide a good environment for the development of foreign-invested enterprises. Therefore China's investment environment will certainly become better in the future.

#### **Review of Economic Situation, Reform in 1991**

HK1301085992 Beijing RENMIN RIBAO  
OVERSEAS EDITION in Chinese 23 Dec 91 p 3

[Article by Xiu Peisheng (0208 1014 3932) and Ye Wei (0673 0808): "Economic Growth Normal, Reform Increased—Reviewing China's Economy in 1991"]

[Text] At the beginning of this year, when China's economy began to climb out of the slump as a result of economic improvement and rectification, quite a number of economists both at home and abroad were unclear about China's future economic development trend. Some people said that since China's economic foundation was still fragile, it was too early to predict a favorable turn; others believed there still existed many serious problems in China's economy and one should not be unduly optimistic about its development prospects. Now, one year has nearly passed and the facts are there for all to see: Economic improvement and rectification have scored remarkable results, China's economy has resumed an overall normal growth, and conditions for reform and opening up are much better than those one year ago.

### The National Economy Has Resumed Normal Growth

Since the beginning of this year, with the adoption of various macroeconomic control and regulatory measures, China's economy has rebounded in a comprehensive way, and the economic situation is taking a turn for the better. According to a preliminary estimate, at current prices, total social supply and demand from the first to the third quarter grew by 13.5 percent and 16.9 percent respectively over the same period the previous year, with the former exceeding the latter by 2.1 percent; it can thus be said that total social supply and demand is basically in balance. Total GNP reached 1,364.6 billion yuan, up by 6.8 percent over the same period the previous year, a growth rate of 2.7 percent if calculated on the basis of comparable prices. Despite severe natural disasters in some parts of the country, China's agricultural production has still achieved fairly good harvests. Total grain output is estimated to reach 425 billion kg, and total cotton output 4.65 million tons. If calculated on the basis of last year's prices, total agricultural output value is expected to grow by about 2 percent. From the first to the third quarter, the total industrial output value of industrial enterprises at the town level and above reached 1,707.4 billion yuan, registering a 13.9 percent growth over the same period the previous year. Meanwhile, efforts have been made to readjust the structure of industrial production and to improve the product mix. As a result, industrial production under the ownership of the whole people has maintained its upward development momentum; the downward trend in the production of energy and raw and semifinished materials in the first half of this year has been brought to an end; and an overall increase has been registered in the output of coal, electricity, and oil. Foreign trade has maintained a sustained growth, activities of foreign-related economic and technological cooperation have become increasingly brisk, and urban and rural residents have seen a constant increase in their income. Since October last year, indexes relating to the national economy have continued to develop in the right direction. The aforementioned various indexes have shown clearly that surface contradictions once plaguing China's economy, such as lack of final demand, have been remarkably alleviated; production, construction, and circulation have rebounded comprehensively; and China's national economy has resumed normal growth.

### Intensified Reform During Economic Improvement and Rectification

Since the beginning of this year, under relatively relaxed economic conditions, the Chinese Government has intensified reform and achieved expected results at the same time as carrying out economic improvement and rectification. First, new headway has been made in price reform. Following the fairly big stride in price reform taken in the fourth quarter last year, this year we have readjusted prices of rolled steel, pig iron, crude oil, finished oil products, coal, and railway freight transportation; unified both the planned and market prices of cement; and achieved particular success in reforming the

selling prices of rationed grain and oil for urban residents. All these reforms have played a significant role in rationalizing price relations, encouraging the development of basic industries, and reducing financial burdens. The ample supplies of social commodities have stabilized consumption psychology; as a result, although the state has made fairly big readjustments to prices, the general price level in the domestic market was able to remain relatively stable. During the first half of this year, the general price level in the domestic market rose by only 1.8 percent over the same period the previous year. The rise in May following the readjustments of grain and oil prices stood at only 3.1 percent, a much lower rise than expected. Second, new breakthroughs have been made in the structural reform of foreign trade. Starting on 1 January 1991, China stopped granting subsidies on exported commodities to enterprises engaged in foreign trade. Since then, foreign trade enterprise have begun to assume full responsibility for their own profits and losses and to try to attain further development amid fair competition. The new structure has rationalized relations of responsibility, autonomy, and profits concerning foreign trade enterprises; brought about a rapid growth in exports; improved the export structure; and reduced financial burdens. In addition to the major reforms of prices and foreign trade, useful studies and attempts have also been made this year in reforming the housing system, the social guarantee system, the medical system, and the securities market system, thus accumulating experience for further reform in the future.

The year 1991 has been a year during which China has further implemented the policy of improving and rectifying its economy and deepening reform and also a year during which China has scored greater accomplishments in economic improvement and rectification and in deepening reform. However, China's economy is still faced with many difficulties; for example, production growth fails to suit the changing needs of the market, the problem of poor economic efficiency has not yet been clearly alleviated, and there still exist many serious structural contradictions. Possessing both practical and historical natures, these difficulties result from a quantity-oriented pattern of economic development as well as a corresponding economic system. Since economic improvement and rectification are aimed at rectifying the "disordered" situation rather than rectifying the "invigorated" one, we should further deepen reform with the aim of solving these problems in a fundamental way and bringing about a sustained, stable, and well-coordinated development of the national economy.

### Official Views Insurance Industry 'Major' Tasks

HK1101082092 Beijing CHINA DAILY in English  
11 Jan 92 p 2

[Text] A top Chinese insurance official yesterday outlined major tasks for the country's insurance industry this year, saying that it will unveil a package of new policies.



Li Yumin, president of the People's Insurance Company of China (PICC), said the tasks include helping large and medium-sized State enterprises, and speeding up reforms of the country's social insurance system.

Li was speaking at the opening of the week-long national insurance conference in Beijing.

Conference sources said the meeting will also discuss ways of improving insurance on housing, unemployment, medical services and tourism.

Also high on the meeting's agenda is discussing how to develop the country's foreign trade-related insurance business to facilitate the programme of diversifying China's export markets.

With memories of heavy compensation paid out last year to those who suffered losses in the summer flooding, the insurance company will focus at the conference on how to help large State enterprises combat disasters.

The company paid out a record 2.3 billion yuan (\$425 million) to cover losses from last year's floods.

The country's insurance industry grew rapidly in 1991, chalking up a sharp increase of 32 percent in premium income.

Li Yumin said yesterday that the company's total premium income was 23.4 billion yuan (\$4.3 billion), exceeding the State target by 23 percent.

Last year was the company's heaviest year for claim payments since 1980 when it resumed domestic business after a lapse of almost 20 years, he said.

The firm paid out a total 11.8 billion yuan (\$2.2 billion) in compensation both at home and abroad in 1991.

Li said people have become increasingly aware of the importance of insurance as a result of the country's 11-year-old economic reforms.

He told the meeting that rural insurance had made a breakthrough last year with 17.2 percent more farmland insured, compared with 1990.

Life insurance business has maintained strong momentum, the president said. Last year, the company's premium income from life insurance was 8.4 billion yuan (\$1.55 billion), up 40.1 percent over that of 1990.

#### **Coal Company Plans To Expand Overseas Market**

OW1201061692 Beijing XINHUA in English  
0550 GMT 12 Jan 92

[Text] Beijing, January 12 (XINHUA)—The China Coal Overseas Development Corporation plans to strengthen its presence in Southeast Asia and launch its global business in 1992, today's "BUSINESS WEEKLY" reported.

The company, mainly involved in coal engineering contracting at home and abroad, is poised to grab three major overseas contracts early this year, the weekly said.

It quoted Hou Yan, the company's general manager, as saying that the firm plans to bid internationally in Bangladesh to build a coal mine with an annual production capacity of one million tons, a project financed by the Asian Development Bank.

It also plans to revamp several private coal mines in Pakistan, and has signed a contract for taking part in the land leveling of the new airport in Hong Kong this year.

In its direct investment overseas, the company's first joint venture coal mine has been set up in Indonesia and will start operation within the first quarter of 1992.

The coal mine located near Samarinda on Kalimantan Island, is also the first Chinese investment in Indonesia after the two countries resumed normal relations, the weekly said.

The company invested more than three million U.S. dollars in the joint venture, and expects to invest more in new joint ventures in Indonesia and the Philippines.

The company now is still concentrating on engineering contracting.

According to Hou, apart from coal mines, which have already been the firm's priority, it is ready to cover the construction of railways, roads and housing abroad from this year.

He said the company is ready to expand its business to south and west Asia and Latin America in the near future.

It is also in charge of cooperation with foreigners in the domestic construction business, and has joined the American Occidental Petroleum Corporation in building the Pingshuo An Tai Bao Opencast Coal Mine. Now it is to help enlarge the production capacity of the mine from 15 to 20 million tons.

#### **Materials Ministry To Reform Supply System**

HK1101012892 Beijing RENMIN RIBAO in Chinese  
8 Jan 92 p 2

[By Liu Guilian (0491 2710 5571): "Ministry of Materials Draws Up Measures to Deepen Reform"]

[Text] Shijiazhuang, 7 Jan (RENMIN RIBAO)—This year, the Ministry of Materials will deepen materials supply system reform by making breakthroughs in developing the coordinated allocation of materials, in building wholesale markets for important goods, and in integrating domestic and foreign trade.

At a recent national materials supply work meeting, Materials Minister Liu Suinian pointed out that a coordinated allocation of materials should be popularized on the basis of experiments over the last few years, adding that from now on substantial progress should be made in making things convenient for producers and customers, in reducing overstocked goods, in speeding up capital

turnover, and in lowering circulation charges so that enterprises will understand that coordinated allocation is more beneficial than individual supply and marketing.

In building wholesale markets, there is a need to reform the traditional method of holding meetings for purchase orders, to fix locations for purchase orders, to set up permanent purchase order centers, to improve and expand the timber and nonferrous metal markets, and to develop wholesale markets for important goods. We should form wholesales market networks at the state, regional, and city levels to facilitate the combination of production and demand between large and medium state enterprises.

Liu Suinian stressed: Materials supply departments, foreign trade departments, and foreign-invested enterprises should cooperate with each other, fully display their strong points, and make efforts to improve the domestic and foreign marketing of production materials. In the meantime, we should also actively develop combination and cooperation between materials supply enterprises themselves and between materials supply enterprises and industrial enterprises, commercial enterprises, and financial enterprises, with the aim of promoting materials supply enterprise groups.

#### **Commercial Administration Regulations Issued**

*OW1201120692 Beijing XINHUA Domestic Service in Chinese 1119 GMT 10 Jan 92*

[Text] Beijing, 10 Jan (XINHUA)—Commerce Minister Hu Ping recently signed the Commerce Ministry Order No. 1, promulgating the "Interim Regulations for the Administration of Commercial Trade in China."

The "Regulations" clearly define that the Commerce Ministry is the State Council's functioning department for managing and coordinating commerce in society and exercising supervision over all commercial trade. Commercial departments at and above the county level, after confirmation by the people's government at the corresponding level, shall exercise supervision over local commercial trade and accept administrative guidance from commercial departments at the next higher level. Commercial associations of all types and at all levels, as well as corporations commissioned by the government to exercise certain administrative and supervisory functions, should assist administrative departments to ensure effective management of trade.

The "Regulations" say: All state, collective, and private enterprises, as well as individual traders, engaging in wholesaling, retailing, food catering, and other commercial activities—including special wholesale markets of various farm products, farm and subsidiary products, and manufactured goods for daily use in urban areas—fall under the supervision of commercial administrative departments. Their establishment, suspension of operations, merging, and switching to management of other products should be examined by commercial administrative departments with regard to the establishment of

outlets, scale of distribution, management scope, conditions for opening, and operational behavior before completing necessary procedures with the administration for industry and commerce. Before setting up outlets for special trades—such as inns, salvage stations, and seal-carving shops—or outlets handling special commodities under state monopoly, labor protection articles, fireworks and fire crackers, fire extinguishing equipment, hazardous chemicals, and other special commodities, it is necessary to first apply to the commercial administrative department for examination and approval and then to the public security, health, and other authorized government departments for required licenses, certificates, or other papers.

The "Regulations" also include specific suggestions for enforcing regulations and legal responsibilities. For example, the "Regulations" stipulate that commercial administrative departments should work with related law enforcement departments in managing and supervising the establishment, suspension of operations, merging, and switching to management of other products of commercial outlets of all kinds in accordance with relevant government regulations. They should also periodically review the management scope and operational behavior of outlets already in operation, setting a deadline for substandard outlets to halt operations for consolidation, revoking the approval document for those substandard outlets failing to improve management and operations before the deadline, and notifying the administration for industry and commerce by letter. Meanwhile, commercial administrative departments have the right to investigate the administrative and economic responsibilities of units and individuals failing to comply with these regulations and obstructing commercial supervision. Units and individuals violating the criminal law shall be referred to the judicial department for investigation of their criminal responsibilities.

#### **XINHUA Feature Views Iron, Steel Industry**

*OW1301062992 Beijing XINHUA Domestic Service in Chinese 2123 GMT 12 Jan 92*

[Feature by reporter Sun Jie (1327 2638): "How Shall We Interpret the 70 Million Tonnes Steel Output?"]

[Text] Beijing, 13 Jan (XINHUA)—Some 3 million steel workers in China achieved yet another record in 1991: Steel output exceeded the 70 million tonne mark. This record signifies that the productivity of China's iron and steel industry has reached a new phase in history.

People who are familiar with China's iron and steel industry will invariably have a strong feeling: China's iron and steel industry has developed most rapidly in the 13 years since the implementation of the policy of reform and opening up to the outside world, and steel output has consecutively broke through four "10th million" hurdles. The total national steel output broke through the 30 million tonne mark in 1978 and exceeded 70 million tonnes in 1991. Before 1991 the former Soviet

Union, Japan, and the United States were the only countries in the world capable of producing more than 70 million tonnes of steel. Today China with its steel output in excess of 70 million tonnes should rank among the world's major steel producing countries. However, Metallurgical Industry Minister Qi Yuanjing maintains a calm and practical attitude in this regard. On 29 December 1991, the day China's steel output broke the 70 million tonne mark, Minister Qi Yuanjing briefly announced the news to the press, then quickly switched the topic: Although our steel output has reached 70 million tonnes, the quality and variety of our steel products is still not suitable to meet the demands of national economic development, particularly our self-sufficiency level, which is still low in supplying high-grade steel materials for use in the energy, communications, machine building and electronics, and chemical industries. As such, from a certain angle we are only a large steel producing country and not a strong steel producing one.

In fact, Minister Qi Yuanjing is not alone in this line of thinking. While visiting the Metallurgical Ministry, this reporter felt that iron and steel experts in the ministry are paying more attention to the areas of deficiency of this major steel producing country. An authoritative person said candidly: Because of our backwardness in variety and product quality, the connotation of China's 70 million tonnes of steel output is a long way off that of developed countries. According to metallurgical experts, at the initial stage of the establishment of new China, our iron and steel industry was only capable of smelting some 100 steel varieties and rolling 400 specifications of steel materials; at present, we are capable of producing some 1,000 steel varieties and rolling 20,000 specifications of steel materials. The majority of steel materials needed for national economic development are now produced locally. This is of course an achievement made by China's iron and steel industry in the last 40 years or so, but on the other hand, our variety and product quality still could not satisfy the demands of economic development. The proportion of domestic supply of the 100 key steel materials needed in China's energy, communications, machine building and electronics, and other industries is still low. As a result, we have to resort to import of such materials, and the state spent a huge sum of foreign exchange each year for the purpose. During the five years from 1983 to 1987, China imported 71.9 million tonnes of various steel materials and spent \$22.1 billion in foreign exchange.

Metallurgical Ministry spokesman Dong Yizheng explained the backwardness of China's iron and steel industry by comparing China's steel materials structure and that of overseas producers. He said that the proportion of steel plates in the steel material produced is a considerably important reflection of the level of development of a country's iron and steel industry. China will achieve 70 million tonnes of steel output during the 1990's with a steel plate proportion of 28 percent. When the developed steel producing countries attained 70,000 tonnes output level about 20 years ago, the U.S. and Japanese steel plate output proportion were 45 percent and 60 percent respectively, both higher than our current level. We must also recognize that since the 1970's, higher demands were made on the performance of steel materials as a result of technological development and economic construction. The iron and steel industry of developed countries have successively directed their efforts toward improving smelting technology, upgrading steel materials' performance, and increasing product variety. If we do not quickly take the opportunity to effect a major transformation in variety and product quality, then—based on the development trend of the strong steel producing countries—the variety and product quality of our iron and steel industry will lag far behind theirs by the year 2000. In other words, the crucial question of whether China can transform from a major steel producing country to a strong steel producing country depends heavily on the improvement of variety and product quality.

In view of the above situation, apart from guiding the enterprises to be more market oriented, the Metallurgical Ministry has also placed emphasis on investment to improve variety and product quality. Since the Seventh Five-Year Plan, the proportion of the iron and steel industry's total basic construction investment and total technological transformation investment used for quality improvement purposes was 57 percent and 40 percent respectively. As of the end of 1990, China has constructed 640 production lines in conformity to international standards; production of steel plates, steel rods, and steel straps hit 20.45 million tonnes last year, resulting in a continuous drop in import quantity of steel materials. The hard-earned 70 million tonne steel output mark is only a milestone in the development of China's iron and steel industry. It tells us that our iron and steel industry's growth in output quantity in the future must be closely linked to improvement of variety and quality. This particular path may be long and arduous, but we are already treading the path. We must continue to tread the path because it leads the way to achieving the status of a strong steel producing country!



## East Region

### Lu Rongjing Commends Anhui Financial Units

OW1701115292 Hefei ANHUI RIBAO in Chinese  
10 Jan 92 p 1

[By reporters Lu Liejia (7120 0441 0502) and Yang Yusheng (2799 0151 3932): "Provincial Government Commends Province-Level Financial Units"]

[Text] On the afternoon of 7 January, the provincial government held a solemn gathering in Hefei to commend province-level financial units. Governor Fu Xishou presented citations to the provincial People's Bank, the Industrial and Commercial Bank, the Agricultural Bank and People's Construction Bank, the Hefei branch of the Bank of China, the provincial People's Insurance Company, and the provincial International Trust and Investment Corporation. Provincial leaders Lu Rongjing, Fu Xishou, Shao Ming, Kang Zhijie, Meng Yiqi and Qin Guangyu presented banners to the units receiving commendation.

Shao Ming, Standing Committee member of the provincial party committee and vice governor, spoke on behalf of the provincial government. He said: In the past year, the cadres and workers in the financial sector of Anhui have made outstanding contributions in flood resistance, rescue work, and in supporting economic recovery and development. During flood resistance and rescue work, the provincial People's Bank and other specialized banks and financial institutions actively supported the disaster areas as they tried to recover and stand on their own, willingly channeling credits and funds to them, and regarding the restoration of production and the rebuilding of homes as the overriding task. Given the shortage of funds, they have provided large sums of relief loans, thereby providing the guarantee for Anhui to overcome the flood disasters, and the economy to grow steadily. On behalf of the provincial government, he extended his warm congratulations to the units which were commended, and expressed the hope that the cadres and workers in the financial sector of Anhui would carry forward the spirit of flood resistance, and remain modest and prudent. While focusing on the recovery and development of Anhui's economy, they should use every means to raise funds, work hard to correct the credit structure, and improve returns from the use of capital in the bid to make new contributions toward the prosperity and stability of Anhui.

In his speech, Lu Rongjing, secretary of the provincial party committee, stressed: The tasks ahead of us in 1992 are extremely burdensome. Comrades in the financial sector of Anhui must fully implement the guidelines of the central work conference, the Eighth Plenary Session of the 13th CPC Central Committee, and the fifth plenary session of the fifth provincial CPC Committee; thoroughly understand the party's basic line; and firmly establish the guiding ideology of serving the economy. The financial sector must not shirk its responsibility with regard to the development and revitalization of Anhui's

economy, and we must assess the work of the financial sector according to this criterion. To provide good service, it is imperative to deepen reform, widen the scope of reform, and improve oneself. He also expressed the hope that party committees and governments at all levels as well as all departments would care and support the work of the financial sector, and work in unison for the development of Anhui's economy.

On behalf of the units which were commended, Song Ming, president of the provincial People's Bank, expressed that they would use this commendation rally as the great driving force. While focusing on the recovery and development of Anhui's economy in the wake of the disaster, they would continue to implement the monetary and credit policy of "controlling the overall volume and adjusting the structure," improve returns from the use of capital, energetically raise funds, support large and medium-sized enterprises as well as the recovery and development of agriculture and rural enterprises, and work hard to produce good results so as to report them the party and people.

### Views Role of Rural Enterprises

OW1501032192 Hefei Anhui People's Radio Network  
in Mandarin 1100 GMT 14 Jan 92

[From the "Provincial Hookup" program]

[Text] While inspecting Lujiang and other counties recently, provincial party Secretary Lu Rongjing emphatically stressed that party and government leadership at all levels must fully appreciate the importance of developing village and town enterprises and further enhance the sense of responsibility and urgency.

During the first half of January, Lu Rongjing and secretary general of the provincial party committee (Fang Zhaoxiang) successively inspected some 40 village and town enterprises of several counties including Lujiang, Fengyang, Yuexi, and Qianshan. Lu Rongjing pointed out: Village and town enterprises are an important achievement in the efforts to reform the rural areas. Facts have proven that developing the village and town enterprises has an important effect on rechanneling the excess rural labor force, increasing peasants' income, overcoming financial difficulties, expediting rural areas' industrialization process, gradually reducing the gap between rural and urban areas, and further consolidating the position of the worker-peasant alliance and rural socialism.

He said that the overall development trend of Anhui's village and town enterprises is healthy, however, numerous areas were late in starting such enterprises, and thus lagging far behind and suffering an imbalanced state of development, this is the most acute problem of our province's economic work. One of the most important aspects attributable to the gap between Anhui and other advanced provinces is the sluggishness in village and town enterprises, and the gap between localities within the province is also predominantly attributable this sluggishness. If no immediate effort is made to direct

more attention to address this particular problem and to expedite the development of village and town enterprises, we will be making a historic error. Leadership at all levels must earnestly make developing village and town enterprises the most urgent task of the present moment and view it as the breakthrough point for revitalizing the rural economy and creating wealth for the people and the province by, making full use of all conducive post-flood conditions to expedite the development of village and town enterprises in every possible way.

Lu Rongjing said: To develop the village and town enterprises, we must first clarify our line of thought and make efforts to further emancipate our minds, to adhere to deepened reforms and rectification, and to broaden our idea of development. We must grab every possible development opportunity and push the development of village and town enterprises to a new height. Lu Rongjing pointed out that science and technology is the primary production force and that science and technology and human talents must be relied upon to initiate and popularize development of village and town enterprises. All localities must pay special attention to the key issue of human talent and take effective measures and adopts policies to encourage the emergence of talented people to jointly formulate strategies and put forth efforts to expedite the development of village and town enterprises. Strong and effective groups or contingents should be organized to carry out widespread and thorough research and study, to provide scientific demonstrations, to create a great number of projects at all levels, and to form a rational overall arrangement. In the efforts to carry out the projects, we must adhere to the principle of tailoring the measures to suit local conditions, bringing advantageous characteristics to full play, and exploiting all possibilities, as long as it is in line with the states guiding principle on developing village and town enterprises, and there should be no reservation or hesitation to develop nonpolluting and efficient industries with ready markets aggressively and expediently.

Touching on the issue of strengthening leadership over the development of village and town enterprises, Lu Rongjing repeatedly stressed that the mental attitude of the leading cadres is of special importance, he called on the local cadres to earnestly study the guidelines of the plenary sessions of the CPC Central Committee and the provincial party committee held recently, to practically establish the concept of a wider scope of agriculture, and while efforts are being made to continuously strengthen the basic position of agriculture and to expedite comprehensive agricultural development, we must also actively enhance industrial awareness and put in efforts to do a good job in developing county-run enterprises and county level economy, and to expedite the process of the rural areas' industrialization.

In the course of the inspection tour, Lu Rongjing also called on many comrades involved in rural socialist education work.

### Anhui's Torch Plan Achieving 'Splendid Results'

OW1701112792 Beijing XINHUA Domestic Service  
in Chinese 0432 GMT 17 Jan 92

[By reporter Tian Wenxi (3944 2429 0823)]

[Text] Hefei, 17 Jan (XINHUA)—Anhui Province has achieved splendid results in implementing the "Torch" Plan. To date, the province has brought 56 projects into operation, developed some 200 new products, achieved 108 million yuan in output value, and turned over 34.76 million yuan in tax and profit to the government. It has set up a system for developing projects concerning telecommunications, biotechnology, new materials, and energy-saving technology, among others.

Colleges, universities, and scientific research institutions in Anhui Province have played a principle role in carrying out the "Torch" Plan. "XXG-A-series cardiovascular function measuring instruments," developed and produced by the Anhui Provincial Electronics Research Institute and Anhui Medical University, were sold on the market in large quantities in 1989 and achieved some 1 million yuan in output value that year. The millimeter wave device developed by the "Jibo High-Technology Corporation" under the Chinese University of Science and Technology has been developed into some 100 models in 20 series and are widely used in communications, navigation, telemetry, and remote sensing. Some products have entered the West European, U.S., and Japanese markets. The devices for optical communications, microwave communications, and three other kinds of intelligent optical power equipment, a state "Torch" project undertaken by the No. 41 Institute of the Ministry of Machine-Building and Electronics Industry, were all awarded by the ministry. Among which, its automatic scalar network analyzer won the third prize of the State Scientific and Technological Progress Award and its fully automatic single-mode optical fiber welder won a gold cup at the first national "Torch Cup" high-technology product exhibition.

A large number of key large and medium-sized enterprises in Anhui also have vigorously participated in the development of high-technology projects. They undertook 11 out of 21 new state and provincial "Torch" Plan projects in 1991, accounting for over 50 percent of them. A plan for modified polypropylene resin, a state "Torch" Plan project undertaken by the Anqing Petro-Chemical Corporation, was put into trial operation in 1991 and is expected to reach an annual production capacity of 5,000 tons this year. The corporation will provide 4,000 tons of alternative materials to the Hefei Washing Machine Plant, saving the plant the 16,000 yuan used for importing materials per year. As a result, this project will also save about \$500,000 in foreign exchanges.

The implementation of the "Torch" Plan has also enlivened civilian-run scientific and technological research institutes and industries using traditional technology. The Anhui Modern Television Technological Research Institute has

developed a MVC-series color TV picture and script producing system while carrying out the "Torch" Plan. The function of this new product can be compared favorably with the same kind of products produced by the Sony Corporation of Japan, at one third the price. Some traditional enterprises have greatly improved their product quality and productivity by using and transforming high and new technology. "Electronic-digital micrometers," developed by the Anhui Measuring and Cutting Tools Plant with use of microelectronics technology, are popular on the international market.

#### Shen Daren Address Provincial Planning Conference

OW1701090192 Nanjing Jiangsu People's Radio  
Network in Mandarin 1015 GMT 16 Jan 92

[From the "News" program]

[Text] Addressing a provincial planning conference, Shen Daren, secretary of the Jiangsu CPC Committee, and Governor Chen Huanyou stressed: It is necessary to resolutely implement the party's basic line, strengthen leadership over economic work, sum up experiences, emancipate our minds, and boost our spirit so as to advance our province's economic work to a new level.

While fully acknowledging the province's achievements, Governor Chen Huanyou also discussed five aspects of the grave situation regarding the province's current economic development:

1. That the task of economic improvement and rectification has been basically completed; but deep-rooted, chronic problems in the national economy have yet to be solved.
2. Some new changes that have taken place in the international situation have given us a political challenge.
3. The tightening of macroeconomic control and regulation by the state has set higher demands on the development and upgrading of the processing industry in our province.
4. It is necessary to believe that the situation is pressing.
5. Our financial difficulties have been aggravated by the disastrous floods, and it will take time to eliminate the stagnation caused by the disaster.

He said that the purpose of correctly analyzing the situation is to remain sober-minded, maintain a sound mental condition, enhance our fighting will, and do our work better. As for this year's economic work, Government Chen Huanyou said that the following six tasks should be grasped on a priority basis: Vigorously developing agriculture so as to increase the peasants' income is the priority task of economic work; while focusing on upgrading economic efficiency, speed up the adjustment of the industrial setup, maintain a proper industrial growth rate, and enhance the vitality of large and medium-sized enterprises by transforming their structures; speed up scientific and technological progress, further implementing the strategy of invigorating our province with the help of science and technology; further

emancipate our minds; speed up the development of an export-oriented economy; and enlarge the scope of reform in order to strengthen economic vitality.

In his speech, Secretary Shen Daren fully acknowledged the province's economic achievements in the past year. He made specific proposals for improving the province's economic work this year.

He said: We must unify our thinking and understand and create a good atmosphere for economic construction. Under the current circumstances we should achieve unity of thinking on the following three major aspects:

1. Firmly grasp economic construction, eliminate interference, and do our economic work well. Under the current, changing international situation, to run our own affairs well, we must work hard to upgrade our economy. Only then can we fully demonstrate the superiority of the socialist system and more effectively resist the plot of peaceful evolution engineered by hostile forces in the West.
2. We must be perfectly clear that in carrying out our economic work this year, we must stress the adjustment of the economic structure and upgrade efficiency. The question now is that under no circumstances should we repeat our past mistakes of undertaking urban construction by blindly building more projects and forcing enterprises to increase their output value. We should strive for a long-term, steady, and coordinated development of our province's economy.
3. It is necessary to take into account the interests of the whole and ensure that priority tasks are carried out first. Numerous things need to be done in our economic work this year, but it is impossible to do everything at once because of our limited financial and material resources. We can only proceed from the interests of the whole and use our available financial and material resources for the construction of major projects. We should make sure these projects can be completed and put into operation on schedule.

Comrade Shen Daren stressed that we should pay attention to work results and strive to transform plans into reality.

He said: The goal and tasks of economic construction and social development in the province for 1992 have been set. The crucial question now is fulfilling the goal and the tasks. We must be determined to work relentlessly to attend to difficult things and to solve crucial questions and outstanding contradictions. In stressing work results, we must also set up a responsibility system. In carrying out our major tasks this year in particular, we should introduce a division of labor and clearly define responsibilities, checking our work on a regular basis.

#### Jiang Chunyun Speaks at Shandong Journalism Forum

SK1601151692 Jinan Shandong People's Radio  
Network in Mandarin 2300 GMT 15 Jan 92

[Text] The Shandong CPC Committee sponsored a forum in Jinan on 15 January. Responsible persons from



journalism units participated. They discussed how to do a good job in journalistic propaganda in the new year in line with the party's central work, learn about the situation, solicit opinions, and be a good mouthpiece for the party and people.

Jiang Chunyun, secretary of the provincial party committee, attended the forum and delivered a speech. Miao Fenlin, member of the provincial party Standing Committee and director of the Propaganda Department, presided over the forum.

During the forum, the participating responsible persons from the central journalism units stationed in the province and from the provincial major journalism units delivered reports. Keeping their work characteristics in mind, they described their propaganda work over the past year and their plans for the future and put forward many good opinions and suggestions.

In his speech, on behalf of the provincial party committee and the provincial people's government, Jiang Chunyun first fully acknowledged and highly assessed the outstanding achievements made by the journalistic propaganda departments in publicizing the party's line, principles, and policies; the province's modernization; and the projects for reform and opening to the outside world. He also fully acknowledged the prominent role these departments played in educating the people throughout the province to plunge into socialist modernization.

Jiang Chunyun stated in his speech that our province collected a bumper harvest and made marked achievements in propaganda work by journalism units last year. This work is playing a very important role in developing the economy, stabilizing the political situation, and carrying out construction in various undertakings. It may be said that the work has played a role in guiding the orientation, encouraging the people, and promoting economic construction.

Jiang Chunyun stated in his speech that since the Third Plenary Session of the 11th CPC Central Committee, and particularly over the past few years, generally speaking, our province upheld the correct political orientation in journalistic propaganda and earnestly implemented the party's line, principles, and policies.

Jiang Chunyun said that journalism departments in charge of propaganda work should uphold the principle of having correct public opinions lead the people and taking positive propaganda as a main task. They should bring their functionary role into full play. Under the changeable international situation, the struggle between peaceful evolution and antipeaceful evolution has become sharp and complicated. Therefore, it is very important for us to uphold the correct propaganda principle and to have public opinions that lead the people. A journalist worker must act in unison with the CPC Central Committee at all times.

Jiang Chunyun pointed out that efforts should be made to upgrade the quality of news and the level of journalism continuously. Along with the development of the situation, the people's demand for quality news and the party and the government demand for news reports have become increasingly high. The journalism units should concentrate on grasping key aspects and striving to create something new, work meticulously, and continuously upgrade the quality of their dispatches.

Jiang Chunyun stressed that efforts should be made to uphold the principle of seeking truth from facts and to bring into play the supervisory role of public opinions to promote or improve our work.

Jiang Chunyun emphatically pointed out that the journalists' contingent should realistically enhance its self-improvement. Under the new situation, tasks and demands for news reports have become heavier and higher. Therefore, it is necessary for us to upgrade journalists' political quality continuously and do a good job in carrying out the construction of ideology and work style. Journalists should enhance their theoretical study; vigorously upgrade their level of Marxist theories; and apply Marxist stands, viewpoints, and methods to analyzing and handling problems to better improve journalistic propaganda and to make new contributions to developing the economy and stabilizing the political situation in the province.

### Central-South Region

#### Zhu Senlin Discusses Pudong, Hong Kong Ties

OW1601235092 Beijing XINHUA in English  
1851 GMT 16 Jan 92

[Text] Guangzhou, January 16 (XINHUA)—Zhu Senlin, who was elected governor of south China's Guangdong Province at the recent fifth plenary session of the seventh provincial people's congress, held a press conference here tonight.

He said that he will work hard to draw up regulations to ensure clean government and that administrations at all levels serve the people wholeheartedly.

As to the relationship between Guangdong and the New Pudong Development Zone in Shanghai, he said that the two can co-operate to create an even better investment environment for foreign businessmen.

Deputy Governor Zhang Gaoli, who also attended the news conference, answered reporters' questions about the Daya Bay Nuclear Power Station, saying that the province has always put the quality and safety of the nuclear power station at the first place; it has already set up a nuclear accident emergency committee.

Referring to the mutual development of Guangdong, Hong Kong and Macao, Zhu said that the three sides have close ties and are mutually dependent. He expressed the hope of strengthening co-operation

between the province and Hong Kong and Macao in foreign trade, finance, technology, culture, education and sports as well as in social security.

He also said he hoped that Hong Kong and Macao would introduce more advanced technologies to Guangdong in order to promote the development of its three high-tech scientific and technological development zones.

Present at the press conference were deputy provincial governors Lu Ruihua, Lin Botang, Liu Weimin and Lu Zhonghe.

### Fears 'Trade War' With U.S.

HK1701034592 Hong Kong SOUTH CHINA MORNING POST in English 17 Jan 92 p 14

[By Kent Chen]

[Text] Reformist Mr Zhu Senlin, confirmed as Guangdong's Governor yesterday, called on Hong Kong to make joint efforts to diversify their international market in a bid to reduce the impact of any Sino-American trade war.

In a televised press conference last night after being elected as Governor at the end of the Provincial People's Congress plenum, Mr Zhu also vowed to build up a clean government and maintain the reform momentum of the wealthiest province of the country.

Referring to the Sino-U.S. trade disputes, Mr Zhu said: "We are prepared for the worst. Therefore we will try to diversify our international market. We should not continue to solely rely on the U.S. market."

"Hong Kong should also join hands with Guangdong in this regard because Hong Kong will also be seriously hit," he said.

The provincial head added that they would take advantage of the Portuguese-ruled Macao as a stepping stone for its products to enter the European Community market.

Mr Zhu, 61, has been acting governor since May last year after replacing popular leader Mr Ye Xuanping, son of the late Marshal Ye Jianying.

Analysts said Mr Ye was forced to accept a ceremonial post of the Vice-Chairman of the Chinese People's Political Consultative Conference after conservatives in Beijing felt he had amassed too much power in the southern province.

Mr Ye, known for his boldness on reform, remained popular in Guangdong. One glaring example was that although Mr Zhu was the only candidate on the balloting paper at the plenary session yesterday five legislators wrote Mr Ye's name on their ballots.

A total of 644 deputies voted for Mr Zhu, covering 95 percent of votes.

Mr Zhu, a close colleague of Mr Ye and an old Shanghai native, has lived in Guangdong for most of his life.

Political analysts say Mr Zhu is committed to continuing the capitalist-style reforms that have cemented Guangdong's position as a major motor behind China's economic boom.

The Governor disclosed at the press conference that Guangzhou would soon follow the steps of Shenzhen to allow foreign banks to open branch offices.

"Such a possibility not only exists but could become reality in the near future," said Mr Zhu.

Meanwhile, a vice-governor, Mr Zhang Gaoli said the provincial authorities would keep stringent control on the number of mainland trucks that were allowed to enter Hong Kong.

### Further on 'Super 301'

HK1701023092 Hong Kong TA KUNG PAO in Chinese 17 Jan 92 p 2

["Special dispatch": "At News Conference, Zhu Senlin Says Guangdong-Hong Kong Relations Will Be Closer; Guangdong Plans to Allow Foreign Banks To Set Up Branches"]

[Text] Guangzhou, 17 Jan (TA KUNG PAO)—Zhu Senlin today said at a news conference that Guangdong and Hong Kong have interdependent relations, as close as those between lips and teeth. In the future, the two sides should strengthen cooperation in the economic, trade, financial, technological, cultural, educational, sports, and law-and-order aspects. Their relations will become closer after 1997.

Zhu Senlin said: In the economic and trade fields, Guangdong and Hong Kong can jointly open diversified international markets. In the financial aspect, the two sides can open up multichanneled financial sources, and Guangdong can use Hong Kong's favorable conditions as a financial center in the Asia-Pacific region to attract more overseas funds. Some foreign banks have set up branches in Shenzhen, and some foreign banks and China-owned banks in Hong Kong plan to set up branches in Guangzhou and other cities. This is expected to happen next year.

Zhu Senlin pointed out: In the scientific and technological fields, Shenzhen will set up a scientific and technological development research academy to increase ties with Hong Kong. At present, there are already three high-tech development zones in Guangdong as well as a large stretch of open area, and they can carry out scientific and technological cooperation with Hong Kong. In the law-and-order field, the police in Guangdong and Hong Kong have cooperated in dealing with smuggling, drug-trafficking, and some criminal cases. Such cooperation should be further strengthened. There is a wide scope of cooperation in all fields between Guangdong and Hong Kong, and their cooperation can become more sophisticated through the joint efforts of the two sides.

As for the U.S. "Super 301" issue, Zhu Senlin said that its implementation will not only harm the interests of both China and the United States but will also cause losses to Hong Kong and affect Hong Kong's economy. He said: The government is working hard to solve this problem. If the talks fail, Guangdong will strive to broaden and diversify its international market and cannot rely on only one market to increase its export business.

Zhu Senlin also said: Shanghai's Pudong and Guangdong have their own development advantages and separate channels for foreign cooperation, and it is hard to avoid competition between them. This will also prompt them to make greater efforts to improve their respective investment environments to attract more overseas investment.

Zhu Senlin also said that he will be faithful to his duty and work harder at the post of governor, and will act according to the 10-character maxim, "study, pioneering, unity, incorruptibility, and doing down-to-earth work."

Zhu Senlin said: At the post of governor, I have confidence in my work, because there are many favorable conditions for doing my work well. He said: Guangdong is an experimental zone for reform and opening up. So people in Guangdong should emancipate their minds, be courageous in practice, and boldly blaze new trails in the course of exploring the socialist road with Chinese characteristics. He stressed that one should not act blindly when doing pioneering work and should be prudent when dealing with major affairs concerning the overall situation.

#### **Hou Zongbin Discusses Agriculture, Rural Areas**

HK1701080092 Zhengzhou Henan People's Radio  
Network in Mandarin 2300 GMT 10 Jan 92

[Excerpts] Yesterday morning [10 January], the Third Enlarged Plenary Session of the Fifth Henan Provincial CPC Committee convened in Zhengzhou. Hou Zongbin, provincial party secretary, presided over the meeting and gave a speech. [passages omitted]

In his speech, Comrade Hou Zongbin said: The CPC Central Committee's decision to further strengthen work for agriculture and rural areas, adopted at the Eighth Plenary Session of the 13th CPC Central Committee, is a programmatic document that guides China's agriculture and rural work. General Secretary Jiang Zemin's speech showed us the guiding principle for rural and agricultural development. We must conscientiously study, implement, and put into practice the eighth plenary session's spirit in light of the reality of the entire province, work hard to usher in a new situation for our province's agricultural and rural work, and greet the convening of the 14th national party congress with superior results. Therefore, this enlarged provincial party committee plenary meeting is also an important meeting for our province's agriculture and rural work. It is necessary to fully carry forward democracy in its broad sense and concentrate our energies on making the meeting a success.

On behalf of the provincial party committee Standing Committee, Comrade Li Changchun gave a report entitled "Conscientiously Implement the Spirit of the Eighth Plenary Session of the CPC Central Committee and Step Up Our Province's Overall Rural Economic and Social Development." In his speech, he mentioned four questions: First, regarding correctly analyzing the situation of our province's rural areas and unifying the understanding of rural economic development at the new stage, Li Changchun said: Correctly analyzing the situation in rural areas is a major task in improving agriculture and rural work. Over the past 10 years, our province has conscientiously implemented and practiced the party's policies for rural areas; generally instituted the responsibility systems, based mainly on the household contract responsibility system with remuneration linked to output; greatly stimulated the initiative and creativity of vast numbers of peasants for production; and favorably promoted the reform and development of rural areas. There has been a historical, profound change in the rural economy and social outlook. Agricultural production has steadily increased, the rural industrial structure has gradually been readjusted, conditions for agricultural production have continuously been improved, and the peasants' material and cultural lives have greatly improved. This symbolizes that our province's rural economy is entering a new development period; that is, having basically obtained enough food and clothing, peasants are developing toward a relatively well-off life. Second, regarding the basic guiding principle for our province's agriculture and rural work and the major goal of struggle during the Eighth-Five Year Plan, Li Changchun said: The 1990's is a crucial time for our province's economic and social development. In order to ensure that our province's agriculture and rural work will reach a new height, it is necessary to uphold the following guiding thought: Uphold the party's basic line, hold high the banner of unity, struggle for progress, and invigorate Henan Province. With the attainment of a relatively well-off life as the ultimate goal and task, make an overall plan for rural work. Regard the deepening of reform, gradually enhancing collective economic strength, and developing the rural commodity economy in an overall way as the basic means to attain a relatively well-off life. Regard the vigorous development of the socialized services system as a breakthrough point for the reform and development of rural areas. With the strengthening of the building of basic-level party organizations, whose core are rural party branches, as an organizational guarantee, vigorously promote the building of material and socialist spiritual civilizations and work hard to build new socialist rural areas with Chinese characteristics.

Li Changchun said: To attain a relatively well-off life by the end of this century, the Eighth Five-Year Plan is very important. The major objectives of struggle for our province's rural economic and social development during the Eighth Five-Year Plan are: The overall development of the rural economy, an improvement in the conditions for agricultural production, an obvious



change in the social outlook of rural areas, and a comparatively large improvement in the peasants' living standards. Third, in order to implement the CPC Central Committee's decision, it is necessary to attain a relatively well-off life and make overall plans for rural work and attach importance to 12 jobs.

Li Changchun summarized the 12 jobs as follows: Upholding the party's basic policy for rural areas, staunchly and unswervingly stabilize and improve the household contract responsibility system with remuneration linked to output, regard the establishment and improvement of the rural socialized services system as a breakthrough point, deepen rural reforms, quicken the reform of farm product prices and of the circulation system, promote the development of the rural commodity economy, mobilize the masses to make careful arrangements for improving activities in a down-to-earth manner for building villages with relatively well-off standards of living, continually optimize the rural industrial structure and develop the rural commodity economy in an overall way while attaching great importance to grain production, attach importance to the vigorous development of township and town enterprises as a strategic measure for the achievement of the goal of attaining a relatively well-off life, increase agricultural input through a variety of channels, work hard to improve the conditions for agricultural production, stick to the strategic principle of boosting agriculture through science and technology, really shift the development of agriculture onto the track of relying on technical progress and upgrading the quality of laborers, stick to economic development as the main body and quicken the pace of poverty-stricken areas in eliminating poverty and attaining wealth, thoroughly carry out socialist ideological education in rural areas, strengthen the building of socialist spiritual civilization, resolutely control population growth, ensure that the two objectives of low population growth and higher economic growth and beneficial results be achieved, and adopt favorable measures to really relieve peasants' burden. Fourth, strengthen party leadership over agriculture and rural work. Li Changchun said: Our province is a large agricultural province. Agriculture, peasants, and rural areas have a direct impact on the overall economic situation and social stability. We must have a deep understanding of agriculture's fundamental role and always proceed with the questions of agriculture, peasants, and rural areas in considering all jobs. Party committees and governments at all levels must conscientiously strengthen leadership and strengthen the building of basic-level party organizations and the contingent of cadres. Moreover, all trades and professions must render vigorous support to agriculture and establish the ideological work style of taking three precautionary measures and doing four practical things so that they can work hard to finish all jobs for rural areas.

From the afternoon on, all participating comrades began to examine and discuss Comrade Li Changchun's report in group meetings.

### Congratulates Scientists

*HK1701080292 Zhengzhou Henan People's Radio Network in Mandarin 2300 GMT 13 Jan 92*

[Excerpt] At 1450 yesterday [13 January], 10 minutes before the scheduled time, Provincial Party Secretary Hou Zongbin and Governor Li Changchun came into the Zhengzhou International Hotel lobby and congratulated (Zhong Xiangcong) and (Chen Junwu), the two senior engineers, who had just been seated. Secretary Hou Zongbin said happily: On behalf of the provincial party committee and government, Governor Li Changchun and I congratulate you both on your being elected members of the Chinese Academy of Sciences Academic Board and thank you for the outstanding scientific and technological contributions you have made. You are the first Academy Board members in Henan and made a breakthrough. Comrade Hou Zongbin said: Although you are from Guangdong and Fujian, you have worked in Henan for several decades and set an example for scientific and technical personnel across the province. We should propagate your deeds across the province and call on scientific and technical personnel across the province to emulate your lofty dedicated and enterprising spirit. If the intellectuals' role could not be brought into full play, it would be impossible to realize socialist modernization. Therefore, society as a whole must respect knowledge and talented personnel.

Governor Li Changchun followed up on the topic, saying: I completely agree. Your contributions will greatly stimulate the fighting will of the province's people to unite, strive for progress, and invigorate Henan. I hope that you and the units in which you are working will boost the oil and fireproof materials industries, two important provincial industries. Governor Li Changchun said to Xu Guangxian and (Chen Yuchu), the chairman and vice chairman of the provincial Science and Technology Commission: Regarding living conditions and work arrangements for these two persons, the Science and Technology Commission should make special plans and give major support. [passage omitted]

### Guan Guangfu Views Rural Ideological Education

*HK1701073392 Wuhan Hubei People's Radio Network in Mandarin 1000 GMT 14 Jan 92*

[Excerpts] Yesterday morning, Guan Guangfu, provincial party committee secretary, stressed during a conversation with provincial party committee rural socialist ideological education team leaders: It is necessary to strengthen leadership over socialist ideological education in rural areas and put on a superb work performance. [passage omitted]

Early last December, the provincial party committee sent five rural socialist ideological education teams to Danjiangkou's (Langhe) town, Hanchuan County's (Liujiage) town, Xiantao's (Qinlirenkou) town, Huangpi County's (Paotong) town, and Xianning's (Tenggouqiao) town to conduct socialist ideological education.

For the last month or so, the education teams have visited peasant families and gone right to the fields and construction sites of irrigation projects to make extensive investigations and studies, becoming one with the peasants and sharing their comforts and hardships. They gave wide publicity to the spirit of the Eighth Plenary Session of the 13th CPC Central Committee and tried their best to solve the problems of greatest concern to the peasants. As a result, the ideas of patriotism, collectivism, and socialism took root in the hearts of the peasants and became known to every household.

At the meeting, Guan Guangfu called on the education teams to take the lead in putting on a superb work performance. It is essential to set high demands on team members as well as caring for their daily life. Every team should select advanced work groups and members when it winds up its task. They should have an intimate understanding of the peasants' thinking, the basic problems in rural areas, the basic tasks, and the principal contradictions so as to act as advisers to the provincial party committee in implementing the spirit of the Eighth Plenary Session of the 13th CPC Central Committee.

Guan Guangfu went on: We must systematically improve propaganda on socialist ideological education, and publicize a number of models as well as fine deeds and fine people among the peasants, basic-level cadres, and education team members. We must also propagate the new achievements in the countryside and the experience gained in carrying out the spirit of the Eighth Plenary Session of the 13th CPC Central Committee. The media should send additional reporters to gather news at the forefront of agricultural production.

He also called on party committees at all levels and the rural socialist ideological education teams to constantly evaluate their experience and quickly find out where the shoe pinches, and avoid doing their work perfunctorily and superficially. They should give publicity to the CPC Central Committee's decision on further strengthening agriculture and rural work, to the plan to achieve small-scale prosperity, and to the bright future. They should also energize the campaign to build a new socialist countryside, harmonize people's relations, follow the socialist road, and consolidate the socialist position in rural areas. [passage omitted]

#### Hubei Issues New Policies for Foreign Investors

OW1701114992 Beijing XINHUA in English  
1038 GMT 17 Jan 92

[Text] Wuhan, January 17 (XINHUA)—The Hubei provincial government has recently issued new preferential policies to encourage more foreign investments in the province.

The new document, "Regulations on the Taxation of the Enterprises Funded by Foreign, Overseas Chinese, Hong Kong, Macao and Taiwan Investors", delineates a series of specific preferential policies for the industrial enterprises engaging in agriculture, forestry and animal husbandry.

According to the document, the preferential policies also cover any foreign investment in the hi-tech enterprises in the Donghu new technological development zone. The tax rate will be reduced to 15 percent and the enterprises, which have been in operation for more than 10 years, are exempt from income tax for the first two profit-making years.

An official with the provincial government said the foreign investors have been even more active in making investments in the province since the new policies were issued at the end of last year.

Statistics show the province has newly signed agreements with overseas investors to establish 144 enterprises with a total investment of 68 million U.S. dollars.

#### Southwest Region

##### Liu Zhengwei Conveys Spirit of Jiang Instructions

HK1401011292 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 8 Jan 92

[Excerpt] This morning, the provincial party committee held a meeting for cadres at deputy-director level and above from departments directly under the provincial government. Provincial party committee Secretary Liu Zhengwei conveyed at the meeting the spirit of the important instructions given by General Secretary Jiang Zemin during his visit to Guizhou.

Liu Zhengwei said: While inspecting Guizhou from 19 to 26 December last year, General Secretary Jiang Zemin gave a positive appraisal of Guizhou's performance and praised the people of all nationalities across the province for their achievements during reform and opening to the outside world. He also gave a series of important instructions on further implementing the spirit of the Eighth Plenary Session of the 13th CPC Central Committee to open up new prospects for agriculture and the work in rural areas, further uniting the people of various nationalities, and further giving play to advantages in Guizhou's resources to promote sustained and steady development of the local economy.

Liu Zhengwei called on the leadership of all departments, bureaus, localities, and units to implement the spirits of the Eighth Plenary Session of the 13th CPC Central Committee, the central working conference, and General Secretary Jiang Zemin's instructions in a combined way. They should, in particular, guard against arrogance and rashness to find out where they lag behind, try to make progress, and take effective measures to implement the above spirits. They should press ahead in unity and turn the party Central Committee's sincere concern into a powerful motive force to invigorate Guizhou so that Guizhou will make a breakthrough in developing the economy in the 1990's. [passage omitted]

**Wang Chaowen Addresses Planning Work Conference***HK1501041492 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 10 Jan 92*

[Excerpts] Provincial Governor Wang Chaowen pointed out at a provincial planning work conference: The guiding ideology for our provincial economic work this year is to adhere to the basic line of reform and opening up, consolidate and develop achievements scored in the rectification and improvement campaign, focus economic work on structural readjustment and economic efficiency and economic quality betterment, continually give top priority to agriculture, especially grain production, and strive to maintain a steady grain production development.

When speaking of agricultural development, Governor Wang Chaowen noted: This year, we plan to grow 16.5 billion jin of grain, an estimated 200 million-jin increase over last year. We must exert our utmost to attain this goal. Meanwhile, we must actively develop a diversified economy, township and town enterprises, promote rural economic prosperity, and increase peasants' income.

Wang Chaowen stated: The industrial production must also aim at structural readjustment and efficiency betterment, which should be achieved in light of our provincial conditions. To this end, we must concentrate efforts on product mix readjustment with a view to realizing industrial structural readjustment and enterprise organizational structural readjustment.

As for structural readjustment orientation, Wang called for strengthening agricultural production, infrastructural facilities building, and basic industrial development and giving top priority to developing light and textile industries, machinery and electronics industries, automobile industry, and various other industries with an eye on developing local advantages, overcoming local disadvantages, and giving full scope to local economic superiorities under the state macroeconomic regulation and control.

When speaking of invigorating circulation, Provincial Governor Wang Chaowen pointed out: After obtaining operational decisionmaking power, enterprises must strengthen internal management and strive to comprehensively improve their own qualities. [passage omitted]

Provincial Governor Wang Chaowen stated: The key to the successful fulfillment of this year's economic construction tasks lies in in-depth reform and expanded opening up to the outside world. It is necessary to continue to stabilize various responsibility systems, especially the system of contracted responsibilities on the household basis with remuneration linked to output, in accordance with the requirements laid down in a decision adopted by the Eighth Plenary Session of the 13th Party Central Committee. It is necessary to facilitate transformation of internal economic mechanisms of various enterprises, invigorate state-run large and medium-sized enterprises, and increase operational efficiency of various enterprises.

Governor Wang Chaowen also made comprehensive arrangements for this year's family planning work, scientific and technological work, cultural, educational, public health work, news and publication work, spiritual civilization building work, as well as other types of work.

**Appeals for Increased Revenue***HK1501071792 Guiyang Guizhou People's Radio  
Network in Mandarin 2300 GMT 8 Jan 92*

[Excerpt] At the provincial meeting on finance and taxation, which ended this afternoon, Governor Wang Chaowen called on leaders of party committees, governments, and departments concerned at all levels to acquire a better understanding of the work concerning finance and taxation and to give cadres in the related fields an all-around support so as to fulfill the 1992 task of raising a revenue totaling 4.5 billion yuan.

Governor Wang Chaowen said: In 1992, the cadres in the fields of finance and taxation will meet with a lot of difficulties in straightening out financial matters for the governments at all levels to promote economic development and expand other undertakings. I hope the leadership of party and government departments and other sectors concerned will give support to related cadres. At the same time, finance and taxation departments should serve as a good adviser to the governments and make earnest efforts to improve their own work.

Governor Wang Chaowen called on all localities to conscientiously enforce the taxation law, fixing and increasing taxes by enforcing the law; give play to the role of taxation in readjusting the economy; and solve the problems of unfair taxation and distribution. [passage omitted]

**Yang Rudai Views Industrial, Communications Work***HK1701111092 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 12 Jan 92*

[Text] Provincial party committee Secretary Yang Rudai delivered an important speech at a provincial industrial and communications work conference which concluded yesterday.

After emphasizing both the importance and significance of successfully grasping economic work, Comrade Yang Rudai pointed out: Economic work in 1992 must aim at making breakthroughs in structural readjustment, technological progress, mechanism transformation, opening up to the outside world, and greatly improving enterprise economic efficiency.

He noted: The key to improving economic work lies, first and foremost, in transforming guiding ideology, resolving such long-standing problems as emphasizing speed while ignoring efficiency, emphasizing capital construction while ignoring technological transformation, and emphasizing production while ignoring circulation, in cultivating a market concept compatible with a



planned commodity economy, and in deepening economic structural reform and transforming enterprise operational mechanism.

Yang Rudai asserted: In carrying out enterprise reform, we must be determined to smash the big pot practice and the iron rice bowl practice, further deepen labor employment system reform, cadre personnel system reform, internal distribution system reform, organizational establishment system reform, and social security system reform, and really enable enterprises to become economic entities with operational decisionmaking power and full responsibilities for their own profits and losses.

In his speech, Yang Rudai particularly stressed: Party and government organs at all levels across the province must take practical steps to transform work style, further strengthen implementation and service work, and ensure smooth progress of enterprise operational mechanism transformation and reform. In the new year, the people of the whole province must brace up, unite, work hard, further push ahead with the provincial industrial and communications work, and strive to greet the convocation of the 14th National Party Congress with more outstanding achievements.

Provincial Governor Zhang Haoruo; Li Boyong and Song Baorui, provincial party committee deputy secretaries; Qin Yuqin, provincial party committee standing committee member; Song Dafan, provincial people's congress standing committee vice chairman; provincial Vice Governor Ma Lin; provincial government advisers Qiao Zhimin and Guan Xuechu; Xin Wen, provincial Chinese People's Political Consultative Conference Committee vice chairman; as well as leaders of various provincial departments concerned attended the conference.

#### **Zhang Haoruo Attends Financial, Taxation Forum**

HK1501030392 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 10 Jan 92

[Text] A provincial financial and taxation work conference was convened in Chengdu yesterday.

Provincial Governor Zhang Haoruo delivered a speech at the conference, in which he stated: This year, we must practically focus our financial, taxation, and state-owned assets management work on increasing economic efficiency.

Provincial Governor Zhang Haoruo pointed out in his speech: This year, our provincial economic work should aim at structural readjustment and efficiency betterment. Zhang noted: Our province is still being plagued by low economic efficiency. Structural readjustment and efficiency betterment are two important steps for bringing about a fundamental turn for the better for our provincial financial situation. Therefore, various financial, taxation, and state-owned assets management departments must give full scope to their important and

specialized roles in conducting macroeconomic regulation and control, make contributions to economic structural readjustment, and help raise our province's overall economic efficiency.

Zhang Haoruo pointed out: Promoting technological progress is an important means for increasing economic efficiency and boosting enterprise vitality and forms an important material and technological base. All financial and taxation departments must help enterprises improve their technological development capability as well as popularize and apply advanced technologies and techniques with an eye on making enterprises and their products more competitive on both domestic and international markets.

Zhang Haoruo stressed: The financial, taxation, and state-owned assets management work must aim at raising financial management efficiency and fund utilization rate, improving financial outlay management, and curbing extravagance and waste.

Vice Governor Xie Shijie delivered a concluding speech in which he first affirmed the positive contributions made by our provincial financial, taxation, and state-owned assets management work to the three-year rectification and improvement campaign. He also put forth some specific views on how to successfully further financial, taxation, and state-owned assets management work this year.

#### **Addresses Industry, Communications Meeting**

HK1401075392 Chengdu Sichuan People's Radio  
Network in Mandarin 2300 GMT 8 Jan 92

[Text] The Sichuan Provincial Industrial and Communications Work Conference opened in Chengdu today. The central task of this conference is, on the basis of the continued consolidation of the achievements made through improvement and rectification and [words indistinct], to further mobilize governments at various levels and the broad ranks of cadres and masses in the industry and communications sector to switch the focus of work to restructuring and improvement of efficiency, strive to open up new prospects in industry and communications, and help bring the economy of the entire province into a state of stability, balance, high efficiency, and development.

Vice Governor Pu Haiqing presided over this morning's session. Governor Zhang Haoruo gave a speech entitled: "Readjust Structure, Transform Mechanisms, Enhance Efficiency, and Realize Steady, Coordinated, and Efficient Development of the Provincial Economy."

In his speech, Zhang Haoruo reviewed the achievements made through improvement and rectification in the last three years and pointed out some existing [words indistinct] problems in the economic sector. He also gave specific instructions on this year's industry and communications.

The basic principle for this year's work in industry and communications is: To speed up scientific and technological advancement and enterprise technical transformation and concentrate energies on key issues to activate the entire economy, while centering round the improvement of economic efficiency and focusing on restructuring and mechanism renewal. Specifically speaking, we should strive toward four breakthroughs and one improvement: A breakthrough in restructuring, a breakthrough in technical advancement of enterprises, a breakthrough in renewing the operational mechanism, a breakthrough in foreign exchange and cooperation of enterprises, and a significant improvement in the economic efficiency of enterprises.

At the meeting, provincial Deputy Secretary Li Boyong spoke on the current ideological and political work in enterprises. Vice Governor Pu Haiqing made a summing-up speech entitled: "Switch the Focus of Economic Work to Restructuring and Improvement of Efficiency."

#### **Yunnan Cracks Major Arms Trafficking Ring**

HK1701091292 Hong Kong MING PAO in Chinese  
8 Jan 92 p 9

["Special dispatch" from Kunming: "Yunnan Cracks Arms Trafficking Gang, Arrests Two Persons"]

[Text] According to informed mainland police sources, Yunnan Armed Police Corps laid an ambush after receiving an informer's report and cracked an extraordinarily large criminal gang trafficking in arms and ammunition. They captured two submachine guns, seven pistols, and over 2,000 rounds of ammunition. Two arms traffickers were arrested but at least eight criminals are still at large. The Chinese Public Security Ministry has issued a wanted circular to the whole country, ordering police in various localities to help apprehend the criminals on the run. It is said that this case of arms trafficking by a group is one of the biggest cracked in recent years.

As disclosed, one day before the event, the armed police company stationed in Yiliang County, Yunnan Province, received an informer's report that some trafficking in arms and ammunition was taking place in the vicinity. The armed police company, in conjunction with the local police, laid an ambush at a small ferry with a team of soldiers headed by a platoon leader. At about 0400 in the early morning, the armed police personnel stopped and searched a passing night bus. They grew suspicious of a young man on the bus. When he realized this, the young man tried to pull out his gun in defiance. The soldiers, falling upon him, took a pistol from his waistband and subdued him. Another young man, trying to fight his way off the bus with kicks and blows, was also subdued. The soldiers found a box of ammunition under his arms and a loaded Model-54 military pistol strapped to his leg. Afterward, they searched the entire bus and found two submachine guns, five pistols, and over 2,000 rounds of ammunition. After interrogation, the two criminals confessed that they belonged to an arms trafficking gang

with over 10 members. The others, at least eight in number, are still on the run, with another batch of military arms and ammunition.

#### **North Region**

#### **Li Ximing at Meeting of District, County Cadres**

SK1601125292 Beijing BEIJING RIBAO in Chinese  
7 Dec 91 p 1

[By reporter Sun Yushan (1327 3768 1472): "Beijing Municipal Party Committee Holds Meeting of District, County, and Bureau Leading Cadres To Relay Guidelines of Eighth Plenary Session of 13th Party Central Committee"]

[Text] The municipal party committee held a meeting of district, county, and bureau leading cadres on 6 December to relay the guidelines of the eighth plenary session of the 13th party Central Committee.

Li Ximing, secretary of the municipal party committee, chaired the meeting. Chen Xitong, deputy secretary of the municipal party committee and mayor of the municipality, relayed the important speech delivered by Comrade Jiang Zemin at the end of the eighth plenary session of the party Central Committee. Wang Jialiu, deputy secretary of the municipal party committee, and Wang Xuezhen, alternate member of the party Central Committee, relayed the "decision of the CPC Central Committee on further strengthening agriculture and rural work."

Li Ximing spoke on how to arrange the relay and implementation of the guidelines of the documents of the eighth plenary session of the party Central Committee. He emphasized: We should first relay and study the guidelines in the leading bodies of districts, counties, and bureaus and then organize the leading bodies at the county and regimental level to conduct study. We should make conscientious efforts to understand the guidelines and study ways to implement them in line with the specific conditions of each unit. The municipal party committee plans to hold its plenary session at the end of this year to put forward specific measures for implementing the guidelines of the eighth plenary session of the party Central Committee.

Li Ximing said: The plenary session of the party Central Committee decided to hold the 14th party congress in the fourth quarter of next year and plenty of preparations should be made. All districts, counties, bureaus, and departments should be mentally prepared from now on, summarize this year's work, and arrange well next year's work.

The meeting urged party organizations at all levels and all the Communist Party members throughout the municipality to conscientiously study and understand the guidelines of the eighth plenary session of the 13th party Central Committee, rally closely round the party Central Committee with Comrade Jiang Zemin at the core, and lead the people of Beijing to go all out,

maintain plain living and hard work, and usher in the convocation of the 14th national party congress with outstanding achievements in reform and construction.

#### Lays Foundation Stone for Joint Venture

SK1601125392 Beijing BEIJING RIBAO in Chinese  
13 Dec 91 p 1

[By reporter Bai Jiliang (4101 4949 5328) and correspondent Fu Chaoying (0265 6389 5391): "Foundation Stone Laid for Shougang-Ridian Electronic Limited Corporation"]

[Text] Li Ximing, member of the Political Bureau of the CPC Central Committee and secretary of the municipal party committee, Zou Jiahua, vice premier of the State Council, and Chen Xitong, state councillor and mayor of Beijing, laid the foundation stone amid the sound of gongs and drums for the Shougang-Ridian Electronic Limited Corporation jointly invested by the Shoudu Iron and Steel Complex and the Nippon Electronic Corporation (NEC) on the morning of 12 December.

The Shougang-Ridian Electronic Limited Corporation, which is listed by Chinese and Japanese Governments as a cooperation project in the field of high technology, requires an investment of 26 billion yen and the Shoudu Iron and Steel Complex will possess 60 percent and the NEC 40 percent of the stocks. The NEC will transfer complete production and managerial technology to the corporation, which will adopt advanced large-scale integrated circuit diffuse and assembling lines and testing equipment and is expected to be built in two years. When construction is completed, the corporation, which will start from the level of mid-1980's, will gradually make its development, production, and marketing a coordinated process. Products produced under contract are able to meet the needs of the computer, telecommunications, instrument and meter, and household electronic industries of the country and civilian needs and greatly alleviate the supplies which rely on imports mainly. Meanwhile, some products will be sold in the world market. The period for the joint investment will be 20 years. Establishment of the corporation will bring China's integrated circuit production up to a new stage.

Leading comrades Yang Huiqiu, Fu Hao, Lu Dong, Huang Yujun, Hu Qili, Yin Ruiyu, Liu Wenjie, Zhang Xuedong, Yuan Liben, Lu Yucheng, and Zhang Peng as well as some 200 representatives from the Shoudu Iron and Steel Complex, the Nippon Electronic Corporation, and other circles attended the foundation stone laying ceremony.

#### Tianjin Congress Approves Personnel Changes

SK1701025292 Tianjin TIANJIN RIBAO in Chinese  
22 Dec 91 p 2

[Personnel appointments and removals approved by the Tianjin Municipal People's Congress Standing Committee on 21 December]

[Text] Sun Jialin [1327 1367 2651] was appointed director of the Tianjin Municipal Judicial Bureau and Zhao Ruji was removed from the post of director of the Tianjin Municipal Judicial Bureau.

Hu Yulin [5170 3768 7792] was appointed member of the judicial committee of the Tianjin Municipal Higher People's Court and Chang Weishi [1603 1919 1102] was removed from the post of member of the judicial committee of the Tianjin Municipal Higher People's Court.

Ma Shimin [7456 0013 3046] was appointed deputy chief procurator of the Tianjin Municipal People's Procuratorate and Zong Wenkui [1350 2429 1145] a member of the procuratorial committee of the Tianjin Municipal People's Procuratorate.

#### Tan Shaowen Attends Public Security Work Forum

SK1701030392 Tianjin TIANJIN RIBAO in Chinese  
14 Dec 91 P 1

[Excerpts] The Tianjin Municipal public security work conference ended at Tianjin guesthouse yesterday. The conference relayed the guidelines of the 18th national public security work conference. Tan Shaowen, secretary of the municipal party committee, and Nie Bichu, deputy secretary of the provincial party committee and mayor, attended the conference and gave important speeches. Vice Mayor Song Pingshun made a work report. The conference stressed that public security organs are an important force for safeguarding state politics and social stability, and for guaranteeing the smooth progress of socialist modernization construction. In face of the current situation, public security organs should fully display their functional role in safeguarding stability and provide important guarantees for smoothly carrying out reforms and construction.

Municipal leading comrades Zhang Lichang, Wang Xudong, Wu Zhen, Liu Jinfeng, Yang Huijie, Yang Jingheng, Yang Zhihua, Lu Xuezheng, Li Jianguo, Song Pingshun, Wang Yongchen, and Zhang Haosheng attended the conference.

In his speech, Tan Shaowen highly appraised the outstanding contributions of public security organs and the armed police force in safeguarding the municipality's stability, and protecting socialist modernization construction and the safety of the people's life and property. On behalf of the municipal party committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal committee of the Chinese People's Political Consultative Conference, he extended heartfelt thanks and lofty respect to public security cadres and policemen, armed police officers and men, and security cadres across the municipality. He touched on five views on implementing the central guidelines and further strengthening the municipality's public security work. 1) Fully understand the extreme importance of strengthening public security work from the perspective of implementing the party's basic line. The public security sector should unswervingly implement the party's basic line and shoulder the heavy



responsibility of guaranteeing the implementation of the party's basic line. To push economic construction forward, we must strengthen public security work and create a stable social environment for the smooth progress of economic construction. To uphold the four cardinal principles, we should also strengthen public security work, and strengthen the function of dictatorship. To persist in reforms and opening up, we should strengthen public security work, and provide a strong guarantee for it. All in all, strengthening public security work is not only generally important but extremely important; it is not an expedient measure but one of vital and lasting importance; it is not only a matter of the public security departments but also the common task of party committees and governments at all levels and of the whole society. We should adopt practical and effective measures and further strengthen our municipality's public security work. 2) Conscientiously sum up experience and promote the in-depth development of public security work. The main experiences of our municipality's public security work are to carry out public security work in close connection with the central task of economic construction; uphold the basic work of "doing everything for the sake of the people and relying on the masses while doing everything," and mobilize the people to successfully carry out public security work; persist in dealing strict blows to criminals and strengthening management, and uninterruptedly conduct all sorts of special struggle and special improvement; establish the strict responsibility system of different levels holding different responsibilities and having each unit take charge of its own work under the unified leadership of the party committees and governments at all levels; persist in running the police strictly, meet high standards and set strict demands on building security contingents. 3) Uphold the principle of combining the effort of special departments with that of the masses, and mobilize and organize the masses to comprehensively improve public security. Relying on the masses to do public security work well is a specific manifestation of the party's mass line in public security work. The efforts of special departments and the masses complement and promote each other, and none of them can be dispensed with. To uphold this public security work principle, we must always attach primary importance to the interests of the masses of people, place the work emphasis in the grass roots, and be good at doing the mass work well. 4) Realistically strengthen party leadership and pay great attention to supporting public security work. It is necessary to include public security work on the agenda of party committees at all levels. Principal leading comrades should grasp this work personally. To strengthen the party's leadership over public security work, we must mainly strengthen political leadership, be determined to help public security organs solve some practical difficulties, and guarantee the normal progress of their work in terms of manpower and financial and material resources. Public security organs at all levels should further enhance the party concept and consciously place themselves under party leadership. 5) Continue to grasp the building of public security ranks and strive to cultivate a

faithful and reliable public security contingent with strong fighting strength. It is necessary to strengthen the building of ideology and work style, party's organizations, leading bodies at all levels, administrative honesty, and professional work, and in line with the central demands, to strive to build the public security contingent into a faithful, reliable, well-trained, professional, and strictly-disciplined contingent with rigid work style, which is capable of giving unified direction, reacting quickly, enforcing law impartially, and handling major political and security incidents, and has a strong fighting strength. [passage omitted]

Party and government leading comrades of various districts, counties and bureaus; responsible comrades of various departments, committees, offices, mass organizations, the Tianjin Garrison, the municipal public security bureau, and the Tianjin Armed Police Force; and directors of county public security bureaus, a total of more than 1,000 people, attended the conference.

During the conference, municipal leading comrades cordially met with representatives of public security organs and armed police force who made contributions.

#### Attends Meeting on Intellectuals

SK1601145192 Tianjin TIANJIN RIBAO in Chinese  
12 Dec 91 p 1

[Excerpts] The municipal group reporting the advanced deeds of intellectuals held its first report meeting at the great theater of the municipal cadres club on the morning of 11 December. The representatives of outstanding intellectuals from various work posts stepped onto the stage to introduce their experiences in persistently putting the interests of the motherland and the people in first place, working tirelessly, making sacrifices, and bravely scaling new heights in science and technology. Deeply touched by the fighting achievements and the mental outlook of these intellectuals, the municipal leaders, including Tan Shaowen and Wang Xudong; and more than 1,000 party and government cadres at the municipal, district, county, and bureau levels burst into warm applause. [passage omitted]

Of the 14 members of the report group, 12 are communists.

Before the report meeting, the municipal leading comrades cordially met with the members. Tan Shaowen, secretary of the municipal party committee, said: I am very pleased to hear your reports. A large number of personnel in Tianjin have worked cautiously at their posts, immersed themselves in hard work, made sacrifices, and made outstanding achievements to the party cause. You represent them. We thank you for your contributions. He said: The municipality is trying to implement the guidelines of the eighth plenary session of the 13th party Central Committee, to sum up the work done in 1991, and to arrange the 1992 plan. The task for deepening reforms and developing the economic construction is heavy. We should disseminate and foster the

spirit of lofty ideals and dedicating ourselves to the cause of the party and the interests of the motherland and the people, unite with the vast number of cadres and people across the municipality, and pool their joint efforts to achieve the work in all spheres. This kind of spirit should be popularized and carried forward throughout the municipality. Convening the report meeting is of great significance. We should disseminate good ideas, good work styles, and a good mental outlook in the method of

using one's experiences as examples to guide the cadres and the people to jointly promote the work in all spheres.

Wang Chenghuai, Standing Committee member of the municipal party committee, chaired the report meeting. [passage omitted]

Present at the meeting were municipal leading comrades, including Yang Huijie, Liu Fengyan, Li Yuan, and Yang Hui. [passage omitted]

**Foreign Minister Reviews Taiwan Foreign Relations**

OW1301142792 Taipei CHUNG YANG JIH PAO  
in Chinese 10 Jan 92 p 1

[Report delivered by Foreign Minister Frederick Chien at a meeting held by the Central Standing Committee of the Chinese Kuomintang on 8 January: "The International Position Occupied by the Republic of China and the International Role it Plays in the New World Order"]

[Text]

**I. Foreword**

The year 1991 was the most crucial one for the development of the international situation, because important changes took place. Among them were end of the war in the Persian Gulf, disintegration of the Soviet empire, European unification striding forward, reconciliation to which both South and North Korea are inclined, and the end of the civil war in Cambodia. They have changed the pattern of confrontation between East and West dating from the end of World War II, and furthermore, laid a foundation for all mankind to go forward hand in hand toward fulfillment of the ideal of world peace. Meanwhile, the Republic of China [ROC] also moved forward toward a new historical era. In the first half of the year, we promulgated the national unification guidelines, terminated the Period of Mobilization for Suppression of the Communist Rebellion, pushed forward the six-year National Development Plan, and smoothly completed the election of delegates to the Second National Assembly, thus creating a favorable image of the ROC in the international community and laying a foundation for achieving the great objectives of political and economic development. In the face of such a favorable situation, comrades working in the Ministry of Foreign Affairs shoulder an important responsibility to promote the ROC's foreign relations, and we should therefore exert ourselves; make painstaking efforts to strive for continuous improvement; and contribute all our wisdom and faithfully fulfill our duties in a bid to usher in a new opportunity and create a new situation for the country. I hereby submit a summary report entitled "The International Position Occupied by the ROC and the International Role it Plays in the New World Order."

**II. Development Trend of the New World Situation**

The most drastic change that took place in the whole world in the past year was the complete disintegration of the communist empire of the Soviet Union. Gorbachev's resignation from his position as president of the Soviet Union on 26 December 1991 formally put a rest symbol on the musical score of the communist empire that had lasted 74 years. The Soviet Union's tragic end in political disintegration shows that the communist dogma, though it deceived people for a while through sheer good luck, will eventually be spurned because it is unable to provide a blueprint for building a democratic and prosperous country, and brings calamity to a country and its people. As Gorbachev pointed out in his resignation speech:

"For several years I have not exercised my capacity as the general secretary of the Communist Party to rule the country. I think it would have been an irresponsible and immoral decision if I did so at that time." "The system of centralization of state power has been eradicated. This system has long prevented our country from becoming prosperous and affluent." These remarks fully express the bitter loss of hope for the Communist Party organization and the system of centralization of state power. Though the Soviet Union no longer exists, the political and economic difficulties that keep cropping up in a continuous stream on its former territory remain unsolved. Due to its loose structure and serious conflict of interests between its members, whether or not the "Commonwealth of Independent States in Europe and Asia" that takes the place of the Soviet Union now is able to achieve coordination between all its members with respect to economic, military, and foreign policies remains to be seen and is followed with interest by the people of the world.

The drastic change taking place in the Soviet situation has undoubtedly changed the orbit of development in modern history. The development trend of the international situation includes the following: 1. **Reconstruction of the International Order.** Following the end of World War II, international order had been maintained through the balance of power between the two major blocs of democracy and communism, headed respectively by the United States and the Soviet Union. Following the disintegration of the Soviet Union, the United States has become the sole superpower, gradually establishing itself as the leader in world affairs. In the future, a new world order will be founded on the basis of democracy, freedom, and human rights championed by the United States. The United States, however, due to its deeply-troubled domestic economy, cannot do whatever it pleases in the international arena, and has to regard Europe, Japan, and the rising economic blocs as forces to be reckoned with. During the Gulf crisis, German reunification, the democratization movement in Eastern Europe, and political changes in the Soviet Union, the United States constantly consulted with its Western allies to seek common understanding. Furthermore, the EC has been actively mediating the civil war in Yugoslavia; and the convocation of the Middle East peace talks in Madrid, the entry of South and North Korea into the UN, the peace treaty signed by the four warring factions in Cambodia, and the peace accord reached between the El Salvadoran Government and rebel troops are all the result of multi-national consultations. In this way, multi-national consultations have become the formula on which international relations will evolve in the future. In addition to such major powers as Europe and the United States, the UN and other emerging economic organizations will also play an increasingly important role in the reconstruction of the world order. 2. **Forces for Economic Integration.** Along with the fall of communist regimes like dominoes, readjustment of the international power structure, and emergence of the formula of consultations in international relations, economic



strength has gradually replaced military power to become the main criterion for evaluating the aptitude of a country. The pursuit of practical interests and economic growth is now regarded by many countries as the primary goal of their development. Moreover, recognizing that countries of the same region can integrate their economies to help supply each other's needs, expand their markets, lower their costs, improve their technology, and enhance their national interests, nations with geopolitical ties are actively promoting regional economic integration and cooperation.

Of these nations, the members of EC have advanced at the most rapid pace. On 12 October, the EC members and the seven members of the European Free Trade Association reached an accord to form a European Economic Region, the world's largest common market, in 1993. Soon afterward, leaders of the 12 EC members attended a summit in Maastricht, the Netherlands and decided to adopt a unified currency before 1999 at the latest, thereby taking a giant stride toward European integration. In North America, the United States, Canada, and Mexico have agreed to begin talks on the establishment of a North America Free Trade Zone with an annual market of \$6,000 billion and 360 million consumers. Moreover, integration on various scales and of different types have also been carried in the Asia-Pacific Region, Central and South America, and Africa, such as the Ministerial Conference of Economic Cooperation in the Asian and Pacific Region, the Economic Community of West African States, the Caribbean Community and Common Market, the Central American Common Market, and the Free Trade Zone of the Andes Convention of South America. In the global economic integration in various regions, it is worthy to note that because prospects for economic integration differ from region to region, the issues of trade frictions and the gap between the North and the South will escalate and add new variable factors to the development of international situation in the future. **3. Formation of a World Community.** With the rapid progress in information, communications, and science and technology, and the vigorous development of economic, trade, and cultural activities in recent years, a "world without national boundaries" is taking shape on the earth on which we live. Under such conditions, problems caused by war, disease, poverty, and environmental pollution are shared by all countries, and become the concern of the entire international community. The emergence of the world community concept is due to the common interest shared by the international community. Recently, in view of the problem of the huge foreign debts owed by Latin American countries, which has become too big to be solved by the debtor nations alone, and given that a solution will not be achieved without the participation and assistance of the creditor nations and other parties, in June 1990, U.S. President Bush put forward the "Enterprise for the Americas Initiative" to pool the funds of the American Development Bank, the World Bank, the IMF, Japan, and Western Europe to assist Latin American countries

rebuild their economy. In addition, with the understanding that marine ecological resources are the "common assets of mankind," on 20 December 1991 the United Nations adopted a resolution banning driftnet fishing after 1992. Various countries, sharing concern for matters regarding overall international economic development and environmental protection, have gradually cultivated a common understanding that these problems concern everyone and must be solved by all countries together as soon as possible. So, the "world community" concept comes into being.

### III. Our Country's Diplomatic Situation and Role

The present world situation shows that the East-West cold war no longer exists and the world is in a brand-new situation characterized by democracy, freedom, reunification, mutual assistance, development, and progress. As far as our country's international environment and status are concerned, the new situation has inspiring opportunity and prospects.

First, the disintegration of the Soviet Union was a like a heavy blow dealt at the Chinese Communist regime which has always "regarded Russia as its teacher" and praised itself as the mainstay of the international communist movement. At the same time, the growth in strength and the firm anti-communist position of the Republic of China are like a thorn in the side of the Chinese Communists, filling them day and night with fear that people within their camp might be influenced. On the one hand, they openly say that they do not rule out an armed invasion of Taiwan. On the other hand, they are using all the intrigue to obstruct and sabotage our diplomatic activities. After the republics of the former Soviet Union proclaimed independence recently, the Chinese Communist regime immediately extended recognition to them, and voiced its opposition to official relations of any form between them and our country. In addition, the Chinese Communist regime is also taking the opportunity of joining the "Nuclear Nonproliferation Treaty" to attempt to nullify our country's qualifications in signing the treaty. Given that solution of the daily worsening greenhouse effect requires the joint wisdom and efforts of all countries, in mid-December 1991 our country asked to attend the U.N. climatic change program convention as an observer, but our request was rejected due to the obstruction of the Chinese Communist regime. The Chinese Communists wish to drive us to the wall and compel us to accept their "one country, two systems" arrangements, under which we would become a local government under their system. However, the days of international communism are numbered. We can say for sure that the Chinese Communists' stubborn resistance to the currents of democracy and freedom will fail, and will only accelerate their downfall.

Second, following the great changes in the international situation, a number of new members of the international community have emerged. This has expanded the space for our diplomatic activities. In the first half of last year, the three Baltic countries of Estonia, Latvia, and Lithuania broke away from the former Soviet Union, declared independence, and joined the United Nations

in September. Vice Foreign Minister Chang Hsiao-yen visited those countries in the early part of November. On behalf of the government, he signed agreements on sending delegations to be stationed in each of those countries. Our delegations to Estonia and Latvia will use the formal name of our country. Meanwhile, we have also signed memorandums on economic cooperation with Estonia and Latvia. We will continue to take the initiative in developing relations with Russia, Ukraine, Belarus and other independent states according to the situation, and our efforts are being made through various channels. Besides, the strong economic power of our country, especially the implementation of the six-year National Development Plan, has attracted positive attention and the interest of various countries in the world. In the past year, European countries which had showed a cool attitude toward us in the past, such as France, Ireland, Italy, Germany, and Britain, dispatched high-ranking officials to visit our country one after another. In December, I was instructed by the president to take part in the 11th summit of Central American countries. It was of great significance that our country was the only non-Latin American country invited to the meeting. This shows that we are highly valued in the international community.

Our international position has been elevated. Because international society is proceeding toward a new international order, the formation of economic groups, and of a world community, we must adopt a more pragmatic attitude; play a more active role in the world arena with a broad vision; and strive to be a participant in establishing a new world order, a member of economic groupings, and a contributor to the world community, in order to establish our position and survive, prosper, and develop in the world.

On participation, the stability and harmony of international society are the common wishes of all countries in the world and are in accord with the interests of various countries, and so our participation in establishing a new order is not only a right but also a responsibility. Although our direct influence in international politics is not very big, we have a strong economic force that cannot be ignored. Therefore, when Iraq invaded and occupied Kuwait in 1990, we not only immediately condemned Iraq for violating the principle of international law and the Charter of the United Nations, but also adopted appropriate measures to coordinate with the action of the allied forces.

On the question of cooperation, we can see that global economic development is being seriously threatened by protectionism and regionalism, and this crisis can only be solved through negotiations and talks among various countries. Our country ranks 15th in world trade and 21st in terms of GNP [gross national product]. Naturally, we should not be excluded from those negotiations and talks. As U.S. President Bush pointed out in his letter to Senator Baucus last July, we are an important economic entity in trade. If we can become a member of GATT, we will be able to make major contributions to the world trade system. To put it

bluntly, the goal of our application to join GATT and take part in the Asia Pacific Economic Cooperation ministerial conference, is to contribute our wisdom and efforts to the promotion of cooperation and development of economic relations and trade in the world, and to enhance the interests of our country.

On the question of contributions, we can see that there is a great gap between rich and poor countries in the world today, and that victims in poor countries who have become destitute and homeless due to natural disasters or wars need urgent assistance. Based on our humanitarian spirit and in consideration of our international responsibility, we have established the "International Humanitarian Fund for Natural Disasters" and the "Overseas Economic Cooperation and Development Fund" to provide humanitarian aid to countries hit by natural disasters and to provide technological, financial, and material assistance to developing countries. For instance, last June, we joined the Economic and Social Development Foundation of the Central American Bank, in the name of the Republic of China, to help friendly countries in Central America develop their economy. Last September, we established a special fund with the European Reconstruction and Development Bank to help the development of East Europe in coordination with major countries. All of this constitutes our important effort to make contributions to the world community. In addition, in order to implement the international cooperation and development plan, and legalize international cooperation and development undertakings, the Ministries of Foreign Affairs and Economic Affairs jointly studied and proposed the "Law on International Cooperation and Development" and the "Regulations Governing the Establishment of the International Cooperation and Development Fund." The law and regulations have been drafted after repeated consultation with concerned ministries and commissions, scholars, experts, and representatives of the people. They will be submitted to the Legislative Yuan for examination after receiving approval from the Executive Yuan.

#### **IV. The Goals of Our Country's Endeavors in Foreign Affairs**

##### **1. Strengthen Relations With Countries With Which We Have Diplomatic Relations**

At present our country maintains formal diplomatic relations with 29 countries. Consolidating and strengthening friendly relations with countries which have diplomatic relations with us will be the primary work in our country's foreign affairs. Since mutual visits by high level political leaders are conducive to enhancing understanding and good relations between our country and others, we have been actively promoting such mutual visits. In the past half year, we invited political leaders of many countries to visit our country, including President Callejas of Honduras, King Tupou IV of the Kingdom of Tonga, and Vice President Espina of Guatemala. Vice President Li Yuan-zu paid visits to three friendly countries in Central America, namely Costa Rica, Honduras,

and Nicaragua, on behalf of the president in the latter part of August. The governments and people of those countries attached importance to the visits. This shows our relations with friendly countries are quite stable and good.

## **2. Establish and Upgrade Our Substantive Relations With Countries With Which We Have No Diplomatic Relations.**

Because of our growing economic strength, we have fared better in recent years than we did before in developing substantive relations with countries which have no diplomatic relations with us. In 1991, the number of our representative offices in those countries rose from 70 in 47 countries, to 81 in 55 countries. At the same time, we have also strived to set up governmental representative offices in the name of the Republic of China in countries which have no diplomatic ties with us. In 1991, for instance, we reached agreements separately with Nigeria, Zaire, and Latvia on establishing missions of the Republic of China. In some countries where the political environment prevents us from using the official name of our country, we also do all we can to use a name of a representative or official nature. In September 1991, for instance, after more than a decade of efforts, our "Far East Trade Office in Bangkok" was renamed "Taipei Economic and Trade Center in Thailand."

## **3. Actively Participate in International Organizations and Activities.**

With our economic development experience and strength, and the objective of promoting economic liberalization and internationalization at home, we are striving to join various international and regional economic organizations and their activities. In November 1991, our country was invited to attend the third APEC ministerial conference as a regular member. The event not only promoted bilateral relations between our country and other Asia-Pacific countries, it also laid a good foundation for our country to attend similar conferences and activities. In addition, we are doing all we can to seek various countries' support for GATT to form a working group to examine our country's membership application as soon as possible, and the response has been good. Because international organizations will play a very important role in the course of the reorganization of the international community, we will actively keep in touch with them and strive to establish closer relations with them in the future.

## **4. Join Non-Governmental Forces in Developing Foreign Relations.**

In recent years, we have opened our society widely to the outside world, and the people have expanded their participation in politics. So, it is an inevitable trend for us to make our foreign policy known to the people. Particularly now, when both the domestic and the international situation are complex and changeable, achieving a common understanding between the government and the people has become an important question for discussion in the course of promoting foreign affairs.

In order to achieve unity between the government and the people in the making of our foreign policy, we constantly survey the people's aspirations and pay attention to public opinion. Before we make any policy decision, we exchange views with both government and public figures through discussion meetings and symposiums. We have also invited people from industrial, business, academic, and media circles to prepare the organization of a "Foreign Relations Association of the Republic of China," so as to muster the elite from these circles and have them assist in developing foreign relations in accordance with our foreign policy.

## **V. Conclusion**

A comprehensive review of the world situation today shows that the once all-powerful Soviet communist empire has been devoured by the waves of freedom and democracy, while in Asia, Communist China—the remaining evil of Marxism-Leninism—has suddenly lost its pillar of support. In the foreseeable future, the mainland will inevitably undergo changes. At this crucial moment in history, we have been accelerating domestic construction and strengthening internal unity to meet future challenges. Politically we have smoothly completed the elections for the Second National Assembly; and the ballots have fully manifested the common understanding shared by the people with regard to the future of our country. Economically, after completion of the six-year National Development Plan, our country will join the ranks of the developed countries. The freedom, democracy, prosperity, and progress achieved by our 20 million compatriots on the bastion of national revival have been recognized by the whole world, and become forces appealing to the 1.1 billion compatriots on the mainland.

The development of the international situation is favorable to our country. We must make good use of the current situation by adopting a foreign policy approved by both the ruling and opposition parties, continuing to improve the hostile relations between the two sides of the Strait in line with the measures laid down in the national reunification program, and uniting and working together with people in nongovernmental circles at home and abroad, in order to bring about an even better international environment and enhance our country's position in the international arena.

Reunification is the common aspiration of all Chinese people, as well as the established policy of our government. We will be happy to see peaceful evolution on Mainland China. However, we must not entertain idealistic hopes. As the Chairman has instructed us: "In the process of readjusting relations between the two sides of the Strait, before the mainland authorities make a clear and responsible response, we should strengthen our mental guard and heighten our vigilance." On the diplomatic front, the task of comrades engaged in foreign affairs is to strive to enhance our country's position in the international arena, so that our country can compete with the Communist Chinese regime peacefully and



rationally on an equal footing. Despite Communist China's ruthless obstructions on the diplomatic front and our shortages of funds and personnel in diplomatic work, so long as we have confidence and determination, we will be able to overcome all difficulties and fulfill the arduous task.

There will surely be new challenges as well as new opportunities in the coming year. The people of the whole country place their ardent hopes on the shoulders of comrades engaged in diplomatic work. In line with the instruction made by the Chairman on New Year's Day—"the future of China must be dictated by ourselves and the destiny of China must be created with our hands"—we must strengthen our conviction, unite with one heart and one mind, encourage ourselves to become stronger, and go all out to expand the diplomatic front, in order to win victory in the peaceful competition between the two sides of the Strait and to reunify China under the system of freedom, democracy, prosperity, and shared wealth as early as possible, thereby achieving the ultimate goal of reviving and constructing the nation.

#### Minister Vows To Cut Trade Surplus With U.S.

OW1601091092 Taipei CNA in English 0813 GMT  
16 Jan 92

[Text] Taipei, Jan. 16 (CNA)—The Republic of China [ROC] will continue to increase purchases from the United States as part of its efforts to redress the bilateral trade imbalance, Foreign Minister Fredrick Chien said Wednesday.

Addressing a year-end party hosted by the Taipei American Chamber of Commerce at the Grand Hotel, Chien said U.S. firms should also intensify sales promotions in Taiwan in order to narrow the trade gap between the two countries.

The minister pointed out that Taipei and Washington have long maintained extensive and mutually beneficial commercial and financial ties. Taiwan has become America's sixth largest trade partner, with two-way trade totaling 36.5 billion U.S. dollars in 1991.

"The United States is still our primary export market and the second largest supplier of goods and services to Taiwan," Chien noted.

The Republic of China will continue to increase imports from the United States whenever possible, the minister pledged. "This is our established policy and the results are evident," Chien said. Taiwan's trade surplus with the United States has fallen steadily in recent years, from 16 billion U.S. dollars in 1987 to 9 billion U.S. dollars in 1990, and further to 8.2 billion U.S. dollars in 1991.

Chien observed that Taiwan is one of the most promising and stable markets in Asia, citing as reasons increasing consumer demand here, massive infrastructure-modernization projects included in its 1991-1996 National Development Plan, readily available capital, and a stable business climate.

Quoting the U.S. Commerce Department, Chien said Taiwan "represents significant opportunities for American firms to bid for contracts on massive construction projects ranging from flood control and city transport networks to water and sewage systems."

Chien stressed that U.S. companies can certainly find willing partners in Taiwan to guide them through the intricacies of the ROC market and to help them expand operations in East Asia. "Both Taiwan and American firms will benefit from joint-venture partnerships," he added.

In fact, Chien said, Taiwan has offered preferential treatment to U.S. companies. "American manufacturers have been the sole source for key parts and components in our telecommunications and transportation systems," he explained.

The minister indicated that many U.S. firms have made successful inroads into the Taiwan market in recent years and have played a predominant role in a number of industries here.

#### Chinese American Experts Sought for Taiwan

OW1601100992 Taipei CNA in English 0806 GMT  
16 Jan 92

[Text] Taipei, Jan. 16 (CNA)—Economics Minister Vincent Siew said Wednesday that the economic recession in the United States has offered the Republic of China a good opportunity to recruit Chinese American experts to help modernize Taiwan's business and industrial structure.

Siew told officials of his ministry to help domestic industries recruit suitable Chinese American experts in technology and business administration.

American companies are now laying off many such experts because of the current business recession, he told a meeting at the Economic Affairs Ministry.

#### Government To Establish Economic Office in Ottawa

OW1701091092 Taipei CNA in English 0748 GMT  
17 Jan 92

[Text] Taipei, Jan. 17 (CNA)—The Republic of China will set up "Taipei Economic and Cultural Office" in Ottawa, Canada, before June this year, an official of the Ministry of Foreign Affairs said Thursday.

Lee Ta-wei [David Lee], deputy director of the ministry's Department of North American Affairs, said that according to an agreement signed in November, 1990, Taiwan may establish four offices in Canada to promote economic and cultural relations.

Taiwan has already established such offices in Toronto and Vancouver.

Relations between Taipei and Ottawa have improved substantially in recent years. Seven Canadian parliamentarians will visit Taipei next week, Li added.

The official declined to comment on Peking's expulsion of three Canadian MPs last week, but said that they are welcome to visit Taipei.

**'Friendly Relations' With Israel To Continue**

OW1701085892 Taipei CNA in English 0745 GMT  
17 Jan 92

[Text] Taipei, Jan. 17 (CNA)—The Republic of China will continue to strengthen substantive relations with Israel although the Jewish state will soon establish diplomatic relations with Communist China.

Lo Chih-yuan, director of the West Asian Department of the Ministry of Foreign Affairs, said Thursday that Israeli officials have assured that the friendly relations between Taiwan and Israel will not be hurt by the establishment of formal relations between Tel Aviv and Peking.

**Estonian Economics Minister Arrives for Visit**

OW1601095992 Taipei CNA in English 0752 GMT  
16 Jan 92

[Text] Taipei, Jan. 16 (CNA)—The Estonian Minister of Foreign Economic Relations H. E. Pilv, at the invitation of the China External Trade Development Council (CETRA), arrived in Taipei Wednesday for a four-day visit.

CETRA Assistant Secretary-General Dick Mou met Pilv and his aides at the airport. Mou also noted that a high-ranking CETRA mission will visit Estonia next month to further strengthen trade and economic relations with the newly independent Baltic nation.

During his stay, Pilv will call on Economics Minister Vincent Siew, Vice Foreign Minister John Chang, and visit the Hsinchu science-based industrial park.

Pilv will deliver a keynote speech on how to tap the Estonian market at a seminar on Jan. 17. He is scheduled to depart Jan. 18.

**Discusses Trade, Investment**

OW1701091492 Taipei CNA in English 0756 GMT  
17 Jan 92

[Text] Taipei, Jan. 17 (CNA)—Estonian Prime Minister Edgar Savisaar will visit the Republic of China [ROC] in the near future, a ranking Foreign Ministry official said Thursday.

Savisaar was originally scheduled to head a high-level mission to visit Taipei this week. Because of his busy schedule at home, the Estonian prime minister instead asked his country's foreign economic relations minister to head the mission to Taipei.

Lou Chih-yuan, director of the Foreign Ministry's West Asian Affairs Department, said that although Savisaar failed to arrive with the mission Wednesday, he will still visit Taiwan in the near future.

Estonian Foreign Economic Relations Minister H.E. Pilv confirmed during his meeting with Vice Foreign Minister John Chang Thursday that Savisaar will visit Taipei in the near future.

Pilv also met with Economic Affairs Minister Vincent Siew Thursday afternoon. He told Hsiao that Estonia is willing to sign an investment guarantee agreement with the Republic of China in order to avoid double taxation on Taiwan investors in the Baltic nation.

Pilv said his country welcomes Taiwan investment and hopes to strengthen economic cooperation with the ROC.

For his part, Hsiao said Estonia is welcome to apply for financial assistance from Taipei's International Economic Cooperation Development Fund. He also promised that the Economics Ministry will organize a trade mission to visit Estonia.

In connection with Pilv's visit, the semi-official China External Trade Development Council (CETRA) will sponsor a seminar on Estonia's investment climate Friday afternoon.

Pilv will speak on Estonia's general economic, political and social situation and investment regulations during the seminar. He will also brief local businessmen on how to use his country as a bridgehead to tap markets in Russia and other East European countries.

Pilv and his entourage will depart for home Saturday.

**Government To Donate Rice To Ease CIS Shortage**

OW1601094392 Taipei CNA in English 0749 GMT  
16 Jan 92

[Text] Taipei, Jan. 16 (CNA)—The Ministry of Foreign Affairs has decided to send 100,000 metric tons of rice to the Commonwealth of Independent States [CIS] to help relieve food shortages there, Hsieh Ching-ting, director of the Taiwan Provincial Food Bureau, remarked.

He said the Russian Republic, before the establishment of the Commonwealth of Independent States, had asked for food aid.

Hsieh said his bureau is ready to deliver the rice, because it has 300,000 tons of surplus rice in its warehouse.

Hsieh also disclosed that Romania has shown interest in buying Taiwan rice.

**Russian Film Delegation Arrives for Festival**

OW1701094292 Taipei CNA in English 0824 GMT  
17 Jan 92

[Text] Taipei, Jan. 17 (CNA)—A five-member Russian film delegation arrived in Taipei Thursday to promote 1992 Soviet Film Festival activities.

Ten Russian movies—including "Station for Two," "Ruthless Romance," and "An Office Affair"—as well

as five short cartoons will be shown in movie theaters in Taipei and Taichung during the two-week film festival beginning Jan. 17. The films may also be shown in the southern port city of Kaohsiung.

Speaking at a reception in honor of the Russian delegation, Director General Hu Chih-chiang of the Government Information Office said that he had great expectations of the film festival, and that he hopes the Republic of China on Taiwan and the Commonwealth of Independent States will improve their friendly relations through cultural exchanges.

### Trade With East European Countries Increases

*OW1701094092 Taipei CNA in English 0826 GMT  
17 Jan 92*

[Text] Taipei, Jan. 17 (CNA)—Taiwan's foreign trade with East Europe grew 56 percent to U.S.\$707 million in 1991, the Board of Foreign Trade [BOFT] reported Thursday.

Taiwan exports to East Europe grew 23 percent to U.S.\$240 million in 1991, and imports increased a whopping 81 percent to U.S.\$467 million, BOFT said.

Exports to Poland amounted to U.S.\$71.6 million, followed by the former Soviet Union's U.S.\$63.3 million, and Hungary's U.S.\$54.1 million.

Imports from Poland topped U.S.\$201 million, followed by former Soviet Union's U.S.\$164 million, and Czechoslovakia's U.S.\$51.8 million.

### Government To Extend Loan to Philippines

*OW1601224292 Taipei CNA in English 1510 GMT  
16 Jan 92*

[Text] Manila, Jan. 16 (CNA)—The International Economic Cooperation Development Fund of the Republic of China is offering U.S.\$20 million in soft loan to the Philippines for the development of two industrial estates, Trade and Industry Undersecretary Gloria M. Arroyo said Thursday.

Arroyo said the development of the Phividec Industrial Estate, in Cagayan de Oro city in Mindanao, and the Pavia Industrial Estate, in Iloilo in Visayas, will be patterned after the "growth triangle" concept of the Bantam Island by Indonesia, Singapore and Malaysia.

With a 10-year grace period, the loan is payable within 25 years at an annual interest rate of three to six percent, he said.

Arroyo said the development of the 187-hectare Pavia Estate will be implemented early this year. The Phividec area involves the development of 100 hectares out of the 3,000 available hectareage, he added.

The estates were selected from among the industrial estates in the country because of their port facilities and completed feasibility studies, Arroyo said.

Estimated cost of the development of the Phividec Industrial Estate is 144.5 million pesos (U.S.\$5.56 million), he added.

Arroyo said the Republic of China will also extend technical assistance on investment promotion of the estates.

### Deng Xiaoping Quoted on Desire for Unification

*OW1601081892 Taipei CNA in English 0744 GMT  
16 Jan 92*

[Text] Taipei, Jan. 16 (CNA)—The most influential gerontocrat in Zhongnanhai [name received in pinyin], Peking, said recently that a "breakthrough" could be expected within three to five years in relations between the two sides of the Taiwan Strait.

But Deng Xiaoping [name received in pinyin] added that there is no timetable for China's unification.

According to a Chinese Communist Party document, Deng told a "National Day Seminar" in late October that Taiwan "must return to the embrace of the fatherland."

"We cannot say unification can be achieved after our generation has passed away, nor can we say we must unify the country immediately. It all depends on the changing situation," the 88-year-old Deng was quoted as remarking.

The document further quoted Deng as observing that the Kuomintang [KMT] is "currently neutral" because "it opposes both Taiwan's independence from and unification with China."

"The key lies in the social system. This is why we use a 'one country, two systems' formula to deal with their refusal to talk about unification," Deng said.

Deng, who does not hold any significant post but remains powerfully influential, said the main partner for negotiation on China's unification should be the KMT. But the partners should not be limited to the KMT, he added.

### 'Second Generation' Mainlanders Call for Change

*OW1701093992 Taipei CNA in English 0811 GMT  
17 Jan 92*

[Text] Taipei, Jan. 17 (CNA)—Admitting that both the domestic and international situation has turned against the Chinese Communist Party (CCP), a group of the "second-generation" elite recently recommended that their "father-leaders" take realistic steps to deal with the fast changing world situation.

The "Party of Princes" or future power holders of Peking proposed that the Zhongnanhai gerontocrats relax their "revolutionary" policy, seek inspiration from traditional Chinese culture, divide Western countries, and prevent Taiwan independence.

Chen Yuan, vice governor of the People's Bank of China, and other "second-generation" leaders also suggested that Beijing (?tried to) build a "greater China cultural



and economic sphere." Chen is a son of Chen Yun, chairman of the CCP's Central Advisory Commission.

The second-generation power elite produced a report last September titled "China's Pragmatic Countermeasures and Strategic Choices in the Wake of Drastic Changes in the Soviet Union."

The report pointed out that the dissolution of the former communist giant was "extremely unfavorable" to Communist China in that it substantively reduced the common strategic ground between Beijing and Washington. Beijing basically had "no more cards to play now," it said.

As a result of the drastic changes in the Soviet Union, Communist China's "destabilizing factors" will increase, calls both for slowing down reforms and for speeding radical reforms will surge, separatist movements by China's minority peoples will be encouraged, and political opposition will grow, the report said.

To cope with the potential challenges, the report suggested transforming the CCP from a "revolutionary party" to a "ruling party," a term which was not explained in the report.

The communist regime in Beijing must also refrain from overtly emphasizing Marxist ideology, one of the two pillars legitimizing Beijing's socialist ideology.

The best weapons for fighting West's "peaceful evolution"—efforts to undermine the communist leadership with democratic and capitalistic ideas—are "nationalism and patriotism," they said.

Attributing the Soviet Union's fall to "across-the-board economic reforms," the report urged Beijing to "severely criticize economic radicalism."

Campaigns should also be directed against the proposition that "everything will be settled if the Communist Party gives up part of its powers and vested interests," the report said.

It affirmed that the Communist Party must firmly grip not only "the barrel of a gun" but also "property and the economy."

The report suggested three ways to deal with the "unfavorable international situation" confronting Communist China: building a "greater China economic sphere," strengthening trade relations with the former Soviet republics, and driving a wedge among Western democracies.

To implement the first proposal, the report urged Beijing to link the capital, information, and technology of Taiwan, Hong Kong, Singapore and Southeast Asia to Mainland China's industrial complex.

Combining Overseas Chinese resources in East Asia with mainland technology and labor will win the trust and spiritual support of Chinese communities in this part of the world, the report added.

Strengthening trade with the former Soviet republics will be significant not merely in economic terms but also in strategic terms, the report asserted.

It said Beijing should make use of the contradictions between the United States and Japan, and between the US and Europe, to create divisions among them so they will not be able to act in one to "strike at" Communist China.

As to "overall home and foreign policies," the report cautioned that the Taiwan independence movement must be checked lest Taiwan exert too great an influence on the mainland.

In sum, it called for "cool-headed efforts" to stabilize the Chinese mainland "for at least 20 years." The world situation will change by then, it claimed.

### **Council on Expansion of Mainland Fishery Zone**

*OW1701092592 Taipei CNA in English 0803 GMT  
17 Jan 92*

[Text] Taipei, Jan. 17 (CNA)—The Council of Agriculture (COA) will meet with other government agencies in the next few days to discuss ways to deal with Mainland China's recent unilateral expansion of its fishery protective zone in the Taiwan Strait, a ranking official said Thursday.

Mainland China has announced the expansion of its fishery protective zone from 20 nautical miles off its coast to 50 nautical miles effective the beginning of this month.

"The announcement has moved the mainland's claims past the center line of the Taiwan Strait, which has traditionally been regarded as the natural border between the two sides of the Strait," the COA official noted.

"Mainland authorities should not unilaterally extend the limit without consulting with us since the measure might affect the livelihood of our fishermen," the official complained.

The council has notified fishery associations around the island of the new mainland decision and has urged local fishermen to take heed.

The council cautioned that the Peking regime has ordered its "fishery administrative boats" to patrol its extended fishery protective zone. Trespassing fishing boats will be fined between U.S.\$3,000 and U.S.\$7,000 and their fish catches will be confiscated, according to mainland authorities.

Fishermen in Hsinchu, northern Taiwan, expressed concern over the extended zone Thursday. The fishermen complained that their boats will definitely fish over the new line because the distance between the coast of Hsinchu County and Fujian Province in southeastern China is a mere 78 nautical miles.

The operators of Kaohsiung-based trawlboat said the 50 nautical mile limit means they can no longer fish in the

straits. The main operating area of the 200-strong Kaohsiung-based trawler fleet is in waters off Fujian and Guangdong Provinces.

The Kaohsiung fishery association (?asked) the government to negotiate with mainland authorities through the Straits Exchange Foundation (SEF) to resolve the issue. SEF is a non-profit organization to handle cross-strait exchanges.

The association will ask the SEF to inquire mainland authorities what they intend to protect in its extended fishery protective zone in the Taiwan Strait.

#### **Ministry To Aid Troubled Cross-Strait Investors**

*OW1601101192 Taipei CNA in English 0804 GMT  
16 Jan 92*

[Text] Taipei, Jan. 16 (CNA)—The Ministry of Economic Affairs will help those Taiwan companies that have indirectly invested in Mainland China and are now facing difficulties there, a ranking official said Wednesday.

"We'll use every possible means to help 'legal' cross-strait investors resolve their problems," Vice Economic Affairs Minister Wang Chih-kang pledged.

Many Taiwan investors complained recently that they have been plagued by many difficulties and uncertain ties on the mainland, Wang said. The U.S. threat to impose "punitive" tariffs on mainland products to retaliate against Peking's failure to protect U.S. patents and copyrights has put heavy pressure on cross-strait Taiwan investors.

Wang noted that the government has basically not encouraged Taiwan firms to invest on the mainland. Still, he said, the government will try its best to help troubled cross-strait investors tide themselves over current hardships.

The government is studying feasible ways to help Taiwan companies withdraw their investments from the mainland and will ask the Straits Exchange Foundation to help resolve cross-strait trade disputes, Wang (?said).

Official tallies show that more than 2,600 Taiwan firms have invested a combined capital of 800 million U.S. dollars on the mainland. Unofficial estimates, however, showed that Taiwan businessmen have pumped at least two billion U.S. dollars into the mainland.

#### **BOFT Issues Indices on Cross-Strait Trade**

*OW1701093392 Taipei CNA in English 0821 GMT  
17 Jan 92*

[Text] Taipei, Jan. 17 (CNA)—The Board of Foreign Trade (BOFT) released its indices on cross-strait trade in 60 kinds of goods for the first time Thursday as part of its efforts to rein in Taiwan-mainland commercial exchanges.

The board began to monitor indirect cross-straits commercial exchanges in September 1990 by using statistics released by Hong Kong Customs authorities. Hong Kong is the most important entrepot in indirect Taiwan-mainland trade.

The board developed a specially designed scale to measure trends in cross-strait trade. As of last September, the board said overall cross-strait trade had turned from an "overheated" to a "normal" level.

But, the board pointed out that cross-strait exchanges in 30 products remained "overheated." Of the items, 14 were on Taiwan's export list and the remaining 16 were on its import list.

BOFT officials said that Taiwan imported vast quantities of knitwear, machinery parts and chemicals from the mainland while it exported too many synthetic fibers, leather and yarns to the mainland.

In order to prevent Taiwan from becoming overly reliant on mainland markets, the board said it may adopt necessary measures to curb imports from the mainland.

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